



Daily Report

Latin America

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CONTENTS

24 April 1990

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Soares Calls for Collective Action Against Drugs [CANAL]	1
Ixtapa Document Stresses Multilateral Cooperation [Mexico City NOTIMEX]	1

CARIBBEAN

Cuba

Fernandez on Continued Cooperation With Nicaragua [Havana Radio]	2
Almeida Ends Zambia Visit, Departs for Tanzania [Havana TV]	2
Arrives in Dar es Salaam [Havana TV]	2
Delegation Holds Talks at DPRK Ministry [Havana TV]	2
Risquet Meets With Cuban Sailors in Shanghai [Havana Radio]	2
Changes in Union Elections Procedures Announced [Havana TV]	2

Inter-Caribbean Affairs

Development Group To Discuss Economic Issues [CANAL]	3
--	---

Bahamas

Taiwanese Government To Sponsor Trade Fair [CANAL]	3
--	---

Barbados

Soviet Parliamentarians' Visit for First Time [CANAL]	3
---	---

Haiti

Demonstration at U.S. Embassy Draws Small Crowd [Port-au-Prince Radio]	4
Group of 12 Reaches 'Democratic Agreement' [LE NOUVELLISTE 18 Apr]	4
PUCH's Theodore Holds Meeting in Gonaives [Port-au-Prince Radio]	4
Radio Reviews Press on Elections, State Council [Port-au-Prince Radio]	5
Press Casts Doubt on Provisional Government [Port-au-Prince Radio]	5
New National Airport Authority Officials Named [Port-au-Prince Radio]	6
Employee Strike Paralyzes Airport [Port-au-Prince Radio]	6
Fire Destroys Compartment on Air France Plane [Port-au-Prince Radio]	6

St. Lucia

France Provides Funds for Health, Education [CANAL]	6
---	---

Trinidad and Tobago

Oil Agreement With Venezuela Creates More Jobs [CANAL]	6
--	---

MEXICO

Salinas Stresses 'Respect for International Laws' [NOTIMEX]	7
---	---

CENTRAL AMERICA

El Salvador

FMLN Leaders on Dialogue Topics, FSLN Ties [San Salvador Radio]	8
Foreign Minister Swears in Envoys to Panama, Peru [ACAN]	9

Nicaragua

Military Personnel Resign From FSLN Posts [ACAN]	9
Chamorro Receives Credentials, To Decree Amnesty [Managua Radio]	9
To Reveal New Cabinet 24 Apr [Managua Radio]	10
Top Contra Leader Supports Demobilization [ACAN]	10
Godoy on New Administration, Military [Managua Radio]	10
Contras, EPS Troops Clash in El Espinal [Managua Radio]	12
Defense Ministry on Clashes [ACAN]	13
Editorial Criticizes Government Workers' Attitude [LA PRENSA 20 Apr]	13
Paper Issues Warning To Remain on Guard [EL NUEVO DIARIO 21 Apr]	14
Commentary on 'Vengefulness' of Right-Wing Media [Managua Radio]	14
Editorial Skeptical of Contras' True Intentions [BARRICA 20 Apr]	15
Commentary Says People Wary of Contras' Promises [EL NUEVO DIARIO 20 Apr]	15

Panama

Endara Interviewed on U.S. Aid, Public Force [Panama City TV]	16
Government Appoints Charge D'Affaires in Peru [Panama City TV]	16

SOUTH AMERICA

Bolivia

Italian Ambassador Discusses Aid to Nation [La Paz Radio]	17
Reportage on Paz Zamora Visit to Europe [cross-reference]	17

Brazil

* Rivalry Among Economic Team Members Viewed	17
* Power Struggle Ensues [O ESTADO DE SAO PAULO 1 Apr]	17
* Cotia Influence Viewed [O GLOBO 1 Apr]	18
* State of Parastatals Inherited by Collor Viewed	19
* Excesses in Personnel [O GLOBO 11 Mar]	19
* Investments, Debts [O GLOBO 11 Mar]	21

Chile

Minister Rojas Says Peruvian Boat Incident Over [Santiago TV]	22
Court Denies Jurisdiction in Norwegian Ship Case [Santiago Radio]	22
Navy Commander Warns Against Soviet Naval Power [Santiago TV]	23
Foreign Minister To Attend Chamorro Inauguration [Santiago Radio]	23
Carabineros Deny Murder Suspect Has FBI Guard [Santiago TV]	23

Colombia

Extradition of 3 Drug Traffickers Authorized [Hamburg DPA]	23
Investigations To Find Terrorists 'Fruitless' [Bogota Radio]	23

Ecuador

* Electorate Surveyed for Presidential Elections	24
* Quito, Guayaquil Featured [EL COMERCIO 18 Mar]	24
* The President's Image [EL COMERCIO 18 Mar]	24

Paraguay

Ruling Party Leaders Criticize Economy Policy	[EL DIARIO 21 Apr]	25
Central Bank Denies Nationalization of Deposits	[HOY 21 Apr]	25
Coordination of Economic Effort Announced	[EL DIARIO 21 Apr]	26
President Rodriguez Denies Cabinet Changes	[ULTIMA HORA 23 Apr]	26
Argana Calls for Greater Party Participation	[HOY 21 Apr]	27
Protest Submitted to Algeria Over LAP Incident	[ABC COLOR 21 Apr]	27
Dusseldorf Consul Dismissed Over Waste Deal	[EL DIARIO 21 Apr]	27

Peru

Fujimori Leading Vargas; Unity Urged	[Buenos Aires DYN]	27
IU Congressmen Oppose Use of U.S. Troops	[Lima TV]	28
Relations With Panama Reportedly Upgraded	[Lima TV]	28

Uruguay

Government Wants To Participate in Brady Plan	[Montevideo Radio]	28
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Soares Calls for Collective Action Against Drugs

*FL2004185790 Bridgetown CANA in English
1549 GMT 20 Apr 90*

[Text] Mexico, April 20, CANA—Secretary general of the Organisation of American States (OAS) Joao Clemente Baena Soares has called for collective action of member states to combat the illicit use, production, and trafficking of narcotic drugs and psychotropic substances. He made the appeal while addressing representatives of 32 member states at an inaugural ministerial conference Thursday [19 April] in the Mexican sea resort, Ixtapa.

"This conference of ministers is being held under the adage, Alliance of the Americas Against Drug Trafficking," ambassador Soares said. "An alliance presupposes solidarity and co-operation, common objectives, and converging efforts, as well as collective decision-making and coordinated action."

He pointed out that "although the drug trafficking problem was world-wide, "its terrible regional expression must be addressed with regional solutions that take into account regional characteristics in a true alliance of the countries in this part of the world."

"We are all fully aware of the pernicious and destructive effects of drug abuse on broad sectors of our societies," Soares said. "We recognise the destabilising consequences that illegal drug dealing has had on the institutions of the different countries of the community of American states. We are singleminded in our condemnation of the crime of drug trafficking and in our determination to eliminate it."

Ixtapa Document Stresses Multilateral Cooperation

*FL2004232590 Mexico City NOTIMEX in Spanish
2100 GMT 20 Apr 90*

[Report by Martha Trejo]

[Text] Ixtapa, 20 Apr (NOTIMEX)—To expand multilateral cooperation, legislate so banking secrecy would not cover up the laundering of drug money, and carry out a study of arms smuggling, were resolutions of the Ixtapa declaration on drug trafficking. In a joint document, the

32 nations that participated in the ministerial meeting of the Alliance of the Americas Against Drug Trafficking also adopted an action program which includes the exchange of information on large bank transactions. The participants agreed to expand inter-American cooperation, support the Cartagena agreements, and implement those of Vienna, signed in December 1988, through ratification and compliance by each of the continent's nations.

In the document, it was recommended that the OAS member states that promote banks and financial institutions cooperate with the authorities to prevent the laundering of assets connected with illegal drug trafficking. To prevent this laundering, the countries recommended that each state classify it as a crime, prevent the use of financial systems to convert or transfer these assets, and give the appropriate authorities the measures needed to trace and confiscate them.

Another of the action points of the declaration was the reform of legal and regulatory systems to ensure that the laws on banking secrecy will not prevent effective enforcement of the law. The OAS members will also study the feasibility of informing governments about large cash transactions (they did not specify how much) and of sharing this information with the different governments. The declaration stressed the need to reduce and eliminate the demand for drugs through concrete educational and preventive measures. On this point, it was announced that a meeting of the Inter-American Council for Education, Science, and Culture (CIECC) will be held from 28 May to 1 June.

The document covers the exchange of information bilaterally and multilaterally with the participation of various OAS and Interpol organizations, border monitoring, revision of legal systems, and a study of the current situation of arms and explosives smuggling on the continent. It was recommended that the OAS consult with the United Nations about the measures required to ensure coordination between the two, as well as increasing OAS funds connected with implementing the Rio de Janeiro action program (Fondo 85).

The ministerial meeting on the consumption, production, and illegal trafficking of narcotics and psychotropic substances was held over four days in this port city. The meetings were divided into two stages, one technical and the other ministerial.

Cuba**Fernandez on Continued Cooperation With Nicaragua**

*FL2404020790 Havana Radio Rebelde Network
in Spanish 2357 GMT 23 Apr 90*

[Report by Mariela Diaz from Managua]

[Text] Cuban Vice President Jose Ramon Fernandez stated today that the Cuban Government is willing to continue its cooperation with Nicaragua in fields such as medicine if the new Nicaraguan authorities request it.

Jose Ramon Fernandez added that Cuban cooperation with Nicaragua also depends on the real possibilities of the two parties involved and on mutual resolve. He, however, said that in this case, cooperation with Nicaragua depends more than anything on the attitude of the new Nicaraguan Government, which will be headed by Violeta Barrios de Chamorro as of 25 April.

Cuban Vice President Fernandez heads the Cuban delegation that will attend Violeta Barrios' presidential inauguration. Barrios de Chamorro received her credential letters from the Nicaraguan Supreme Electoral Council today.

Almeida Ends Zambia Visit, Departs for Tanzania

*FL2304175590 Havana Tele Rebelde Network
in Spanish 1700 GMT 23 Apr 90*

[Text] Cuban Vice President Juan Almeida Bosque today ended a three-day visit to Zambia, during which he met with Zambian President Kenneth Kaunda and other leaders of that African nation. Almeida and Kaunda analyzed aspects of international events and bilateral relations. For his part, the Zambian president praised the work carried out in that southern African nation by about 170 Cuban doctors. Kaunda also stressed the role played by Cuban internationalist troops in Angola, which along with that country's armed forces, defeated the South African racists. Almeida and the delegation he heads left today for Dar es Salaam, Tanzania, which is the third stage of their trip through Africa.

Arrives in Dar es Salaam

*FL2404024590 Havana Television Service
in Spanish 0000 GMT 24 Apr 90*

[Text] Juan Almeida Bosque, vice president of the Cuban Council of State and Council of Ministers, arrived in Dar es Salaam, the capital city of Tanzania today. At the Dar es Salaam Airport, Almeida was welcomed by Tanzanian Acting Foreign Minister Paul Bomani.

Almeida, also a member of the Communist Party of Cuba Central Committee Politburo, began a tour through several African countries on 16 April. Almeida first visited Zimbabwe, where he met with President

Robert Mugabe. Last Friday, 20 April, Juan Almeida traveled to Zambia, where he met with President Kenneth Kaunda.

Delegation Holds Talks at DPRK Ministry

*FL2404030590 Havana Television Service
in Spanish 0000 GMT 24 Apr 90*

[Text] A high-ranking delegation of the Cuban Ministry of the Revolutionary Armed Forces presided over by Division General Ulises Rosales del Toro, chief of the General Staff, arrived in Pyongyang today for a friendly visit.

The Cuban delegation was welcomed by Army General Choe Kwang, chief of the General Staff of the DPRK People's Armed Forces.

High-level Korean officials and Juan Jose Leon Vega, Cuban ambassador to the DPRK also attended the welcoming ceremony.

The official talks between the delegations of the two countries began at the DPRK Defense Ministry this afternoon. Subsequently, the Cuban delegation placed a wreath at the cemetery of the martyrs of the anti-Japan guerrilla warfare on Taesongsan Hill.

Risquet Meets With Cuban Sailors in Shanghai

*FL2404015390 Havana Radio Redelde Network
in Spanish 2304 GMT 23 Apr 90*

[Text] Jorge Risquet Valdes, member of the Communist Party of Cuba [PCC] Central Committee Politburo, presided over a combative ceremony held by Cuban merchant sailors in the Chinese shipyard of Shanghai today.

The crew members of the Cuban ships Victoria de Giron, Bahia Honda, and (Kunville) reasserted their absolute loyalty to the Cuban revolution and its absolute leader Commander in Chief Fidel Castro.

The said sailors told Risquet: Tell Fidel that here he has 100 men ready to do whatever he may consider necessary. Risquet Valdes informed the Cuban sailors about the efforts the country is making to face the current increasing U.S. hostility.

The meeting with the Cuban sailors marked the end of Risquet's two-day visit to Shanghai, the main industrial city in the PRC.

Changes in Union Elections Procedures Announced

*FL2304174690 Havana Tele Rebelde Network
in Spanish 1700 GMT 23 Apr 90*

[Text] New methods to improve democracy in its elections process will be applied experimentally by the union movement this year. Pedro Ross, alternate member of the Politburo of the Communist Party of Cuba and secretary general of the national CTC [Cuban Workers

Federation], has reported that these changes will be adopted during the process of preparing for the sixth congress of the National Union of Tobacco Workers.

The first initiative consists of electing the secretaries general of enterprise politburos and municipal committees by direct vote, indicated by two crosses, in the union sections. The other change is that the precandidates for members of the union's national committee will be chosen at the base-level evaluation assemblies. The tobacco workers' congress will be held in the first two weeks of December, and the preparatory period began on 16 April.

Inter-Caribbean Affairs

Development Group To Discuss Economic Issues

FL2404012490 Bridgetown CANA in English
2325 GMT 23 Apr 90

[Text] Washington, April 23, CANA—Major economic issues affecting Caribbean nations are being discussed this week during the 10th meeting of the Caribbean Group for Cooperation on Economic Development at World Bank headquarters. The meeting, bringing together delegates from 26 countries and 21 international and regional organisations, was officially opened on Monday [23 April] by Shahid Husain, the World Bank's regional vice-president for Latin America and the Caribbean.

Among the topics to be discussed are the environment in the Caribbean, agricultural diversification, Caribbean trade policies and incentives, tourism, and the role of women in Caribbean development.

In opening the meeting, which has the coordination of external assistance to the Caribbean high on its agenda, Husain called on donor countries to increase their financial assistance to the Caribbean and maintain aid flows in real terms. He said direct foreign investment should be actively promoted and that a concerted effort to establish an incentive framework to attract investment. [sentence as received]

The Caribbean group was formed in December 1977 to help mobilise aid for Caribbean countries and facilitate aid coordination among donor and recipient countries.

"Since its creation the group has been quite successful in promoting long term economic development in the Caribbean region and hence reinforcing political stability and democracy. In particular, the group has provided a useful forum for policy dialogue and for coordinating external finance for adjustment," he said.

He said that since the last meeting in June 1988, the overall economic performance in the Caribbean has been relatively strong compared not only to the rest of Latin America but also to other parts of the developing world.

"This has been accomplished in spite of the region's inherent vulnerability to unfavourable weather conditions and external shocks. During this period, a number of Caribbean countries achieved viable macro-economic frameworks or began to adjust their economies through tighter fiscal and monetary policies," Husain said.

The meeting ends on Friday [27 April] and will also include presentations on the economic situation in Belize, Jamaica, St. Lucia, Grenada, Dominica, St. Kitts and Nevis and St. Vincent and the Grenadines.

Bahamas

Taiwanese Government To Sponsor Trade Fair

FL2304231790 Bridgetown CANA in English
2141 GMT 23 Apr 90

[Text] Nassau, Bahamas, April 23, CANA—The Taiwanese Government will sponsor a trade fair in Nassau in December in an attempt to increase trade between both countries. Taiwanese ambassador to the Bahamas Chang Ping-nan announced. Sixty countries are expected to take part in the trade fair to display their products so that local merchants can buy from the participating countries. The state-run Bahamas Agricultural and Industrial Corporation (BAIC) has been assigned as the co-ordination agency.

Chang said that in order to promote the understanding between Taiwan and the Bahamas, a mission of Chinese folklore artists and acrobatics will perform in the Bahamas later this month.

Last month, both governments signed an agriculture technical co-operation agreement. By that agreement, Taiwan is to send a mission of technical experts to the Bahamas to work with farmers. Chang said that the team will help plan a research centre to find ways of increasing fishing products and to improve the lives of fishermen.

Barbados

Soviet Parliamentarians' Visit for First Time

FL2304182190 Bridgetown CANA in English
1741 GMT 22 Apr 90

[Text] Bridgetown, Barbados, April 22, CANA—A five-member Soviet goodwill delegation was due in Barbados on Sunday [22 April] for a five-day visit. The last stop of the delegation, made up of two senior parliamentarians accompanied by three Soviet officials, was the Bahamas.

"It is hoped that this visit, the first of its kind, will be a step toward developing relations between the Soviet and Caribbean parliamentarians as well as an opportunity to discuss matters of mutual interest," the Barbados Government Information Service said.

The delegation is headed by parliamentarians Boris Miroshin and Usuf Iskhaki. Others in the party are

Valeriy Kuzin of the Secretariat of the Supreme Soviet; Valetin Kornukhin of the Ministry of Foreign Affairs and Konstantin Kamenev, First Secretary at the Soviet Embassy in Jamaica. The delegation will pay courtesy calls on the deputy president of the Senate, the speaker of the House of Assembly and the minister of foreign affairs, as well as meet with officials in the Ministry of Foreign Affairs.

Haiti

Demonstration at U.S. Embassy Draws Small Crowd

FL2304151190 Port-au-Prince Radio Metropole
in French 1600 GMT 20 Apr 90

[Excerpts] [passage omitted] Approximately 100 persons gathered before the U.S. Embassy in Port-au-Prince 20 April to protest the FDA decision excluding Haitians from the list of people allowed to donate blood in the United States. This demonstration failed to assemble the numbers planned by the organizing committee, made up of United States citizens who had come to Port-au-Prince to organize this demonstration.

Edouard Tardieu, a political leader of the Social Christian People's Party of Haiti was present. [passage omitted] The demonstrators roundly criticized the U.S. Government for its decision. [passage omitted] The demonstrators are still here along with a few policemen in front of the U.S. Embassy. [passage omitted]

Group of 12 Reaches 'Democratic Agreement'

FL2304164090 Port-au-Prince LE NOUVELLISTE
in French 18 Apr 90 No 33.791 pp 1, 2

[Text] The 12 political parties that are members of the Assembly for Concerted Action [AC] on 10 April adopted a democratic agreement stipulating the AC's current mission and recommending that internal regulations be adopted. Here is the text of this agreement.

I. Mission of the Assembly for Concerted Action

1. To remain a vehicle for reaching of a consensus and/or concerted action by its members.
2. To act as an assembly for reconciling the executive and the State Council during the transition period.
3. To actively support the most pressing popular demands.
4. To provide justifiable criticism of the way the government is being managed.
5. To serve as a pressure group by exercising constant vigilance and remaining ready to mobilize the population in case of danger to democracy.

6. To contribute to creating conditions favorable to holding elections as quickly as possible.

7. To wage a dignified electoral campaign focused on matters of substance while avoiding unfounded attacks. The vicissitudes of this campaign must under no circumstances affect the AC.

8. To see to it that the Constitution of 1987 is respected.

II. Procedure

1. The AC intends to give itself an operating structure governed by internal regulations.

Konakom [National Committee of the Congress of Democratic Movements], Victor Benoit; PPSC [Social Christian People's Party of Haiti], Edouard Tardieu; MNP-28 [National Patriotic Movement of 28 November], Dejean Belizaire; MIDH [Movement for the Establishment of Democracy in Haiti], Marc Bazin; Panpra [Nationalistic and Progressive Revolutionary Party of Haiti], Arnold Antonin; PAIN [National Agricultural and Industrial Party], Louis Dejoie; MDN [Mobilization for National Development], Hubert de Ronceray; PDCH [Haitian Christian Democratic Party], Sylvio Claude.

PUCH's Theodore Holds Meeting in Gonaives

FL2304161990 Port-au-Prince Radio Soleil
Network in Creole 1100 GMT 23 Apr 90

[Report by Exil Noel Ediles, Gonaives reporter, monitored in progress]

[Text] [Ediles]...today there is exploitation in the country and a need for radical change in the extreme poverty the population is suffering. So said Rene Theodore [leader of United Party of Haitian Communists]. Furthermore, what is holding the country back is the agrarian structure, which was badly set up at independence and is still bad today; the nation's relations with certain powers that are crippling it, and the mentality of certain political leaders. These are mainly things that work to the advantage of foreigners.

[Begin Theodore recording]... the Duvalier regime was a period in which the country was sold out to a bunch of foreign countries and cartels that sucked the nation dry; a period in which the petty bourgeois in Haiti known as the Duvalierist middle class associated itself with all kinds of monopolists, all kinds of contrabandists, to suck the nation dry; a period in which they made corruption (?thrive) and this corruption caused the nation's public administrations not to work for the benefit of the Haitian people. [end recording]

[Ediles] Thus said Theodore. This meeting lasted more than two hours.

Radio Reviews Press on Elections, State Council

FL2304221690 Port-au-Prince Radio Metropole
in French 1600 GMT 23 Apr 90

[Press Review by Clarens Renois]

[Excerpts] Last weekend's Haitian periodicals chose to comment on three main aspects of current events: the elections, reconciliation, and the vicissitudes of the Council of State.

HAITI OBSERVATEUR reports an anti-election mobilization. The paper says that Mrs. Trouillot risks encountering forces determined to stave off elections indefinitely, and that at least one political sector engaged in the antielection campaign has allied itself with the Duvalierists aggressively opposed to the establishment of a government by popular vote.

In any case, the formation of a new CEP [Permanent Electoral Council] will allow us more clearly to understand certain activities recently under way. [passage omitted] HAITI EN MARCHE carries an analysis entitled: Not That Kind of Reconciliation, Not an Alliance Between a Clay Pot and an Iron Pot. For, says HAITI EN MARCHE's analyst, the national reconciliation that they want to shove down our throats in Haiti is unconstitutional and antidemocratic. We must say no to this kind of national reconciliation thrust from above. [passage omitted]

LE PETIT SAMEDI SOIR's Max Abner Etienne thinks the government—the Council of State and Ertha Pascal Trouillot—has no program. It is, rather, an impersonal government after 34 years of personal government. Etienne wonders: What kind of path will we be traveling with this government, since it seems to be evolving within a repressive circle said to be popular. According to Etienne, this government's entire program consists of putting as many relatives and friends as possible into positions without really taking their qualifications into account. Etienne, who is not kind toward the current government, concludes his article by saying: In short, if Mrs. Ertha Pascal Trouillot really wants to go down in history as the first woman of her station in life to have occupied this position of high responsibility, she must enlighten public opinion regarding her vicissitudes with her forced partner, the Council of Ecstasy. [passage omitted]

Press Casts Doubt on Provisional Government

FL2304192890 Port-au-Prince Radio Soleil
Network in Creole 1100 GMT 23 Apr 90

[Press review]

[Excerpts] [passage omitted] LE PETIT SAMEDI SOIR accuses the government of being a government without a program. Furthermore, according to the periodical's commentary, the government can have no program other than to organize free, democratic, nondiscriminatory elections. However, Mrs. Trouillot and the State Council instead appear to be acquiring a taste for the presidential chair. [passage omitted]

An article on the front page of HAITI-OBSERVATEUR entitled "Mobilization Against Elections" says that whereas Mrs. Trouillot came to power to expedite elections, there are a number of forces working to the opposite end, so there will never be elections. Within the government there are men collaborating with Duvalierist macoute groups to make people forget about elections. [passage omitted]

In LE PETIT SAMEDI SOIR, attorney Lherisson Alezi repeats the familiar refrain: The Constitution died and was buried when Manigat lost the presidential chair. Yet in this same article Alezi says: Since the current provisional president is not constitutional, she cannot reinstate the Constitution. All she can do is organize honest, clean elections with the help of the OAS, the United Nations, and foreign observers. However, according to his analysis there has been no Constitution since 19 June 1988.

On page 5 of the periodical BALANCE, there is a drawing of a loaded donkey—this time one that is not moving. [passage omitted] Its saddlebags are loaded with firearms and two placards—one saying, Who are you? and the other answering, the national majority. [passage omitted]

All the periodicals this week also focus on the public administration. First, BALANCE discusses the scandal of the misappropriation of funds within ONA [Office National Assurance Vieillesse, the national pension fund]. [passage omitted] BALANCE reports that despite the law that says ONA cannot lend anyone more than 50,000 gourdes at a time, loans of up to half a million gourdes were found in ONA's books—loans extended without even taking into account the borrower's ability to repay. Also, the loans were made on the basis of personal relations or friendship with ONA's general administration or with some well-connected ONA employee. [passage omitted]

BALANCE adds: In view of all these things, the new Social Affairs Ministry authorities should take into consideration the open letter from former ONA employee Jean Robert Lebrun. Of course, the leaders should themselves carry out their own investigation, to arrest and try the guilty parties who prevent the institution from doing its job. [passage omitted]

JOURNAL DU COMMERCE too discusses corruption within the public administration. Clovis Desinor's son Reynold, whose position at the Ministry of Commerce bears the job title consultant, is the person who is handing out permits most liberally to a number of big shots so they can buy however much they want overseas without considering what is produced in Haiti. He is allegedly the reason the raising of pigs is unsuccessful here in Haiti. JOURNAL DU COMMERCE adds that it is because it chose to denounce this matter that Reynold Desinor accused the paper's director of being the person who sent the mob out to trash the home of his father, Clovis Desinor, in Canape Vert on the occasion of Avril's departure. [passage omitted]

La Famille C'est La Vie is working, but it costs money too, said Father [Jean Bertrand] Aristide in an interview he granted HAITI EN MARCHE. [passage omitted] Since last 23 October, a special school has been opened. This school has 210 university-level students who are given the chance to learn English, Spanish, Creole, social psychology, theology, and economics. Most of their teachers are also already teaching at the National University of Haiti, or have already taught overseas. [sentence as heard] [passage omitted]

New National Airport Authority Officials Named

FL2304160190 Port-au-Prince Radio Metropole in French 1600 GMT 20 Apr 90

[Excerpt] Maurice Perez has been chosen to replace retired General Carl Michel Nicolas as director general of the National Airport Authority. Nicolas resigned. Also, the administrative director is to be William Regis. These two people were to be installed at noon on 20 April at the National Airport Authority. [passage omitted]

Employee Strike Paralyzes Airport

FL2304191190 Port-au-Prince Radio Metropole in French 1600 GMT 23 Apr 90

[Excerpts] The airport is paralyzed again today. Airport employees and officials have ceased all activities to express their refusal to work with the new team chosen to head the airport. The new team was installed last Friday [20 April], five days after the resignation of retired general Carl Michel Nicolas. Rothschild will give us details on the paralysis of the airport sometime during this newscast.

We point out that an Air France Boeing 727 was damaged by an incipient fire in a baggage compartment yesterday afternoon. [passage omitted]

Air France has temporarily canceled its flights to and from Haiti. Passengers will be informed through the press as to when flights will resume. [passage omitted]

Fire Destroys Compartment on Air France Plane

FL2304154690 Port-au-Prince Radio Metropole in French 1400 GMT 23 Apr 90

[Text] An incipient fire yesterday afternoon at Mais Gate International Airport partially destroyed one of the baggage compartments of a Boeing 737 belonging to Air France. The incident occurred just as passengers began boarding a flight to Puerto Rico and Guadeloupe. The airport firemen put out the fire and the plane remained on the ground. Air France canceled the flight.

An Air France technical team is being awaited in Port-au-Prince. Meanwhile, the Haitian authorities have opened an investigation to discover the cause of the incident. Air France, the Haitian company Haiti-Transair, and ALM Antillean Airlines continue to link Port-au-Prince to the United States. However, the U.S.

companies American Airlines and Pan American Airlines have temporarily suspended their flights to Haiti ever since an empty American Airlines airbus at Mais Gate was occupied 3-5 April by a soldier armed with a submachine gun.

St. Lucia

France Provides Funds for Health, Education

FL2304234690 Bridgetown CANA in English 2306 GMT 23 Apr 90

[Text] Castries, St. Lucia, April 23, CANA—France is providing St. Lucia with more than EC [Eastern Caribbean] 5 million dollars (one EC dollar = 37 U.S. cents) for health and educational projects. The money will be used to improve services at the century old Victoria Hospital and establish a linguistics bureau here.

Head of the French Mission in St. Lucia Robert Omar said four million will be used to purchase modern equipment for the maternity and gynaecology departments of the hospital. Part of the funds will be used to construct a new maternity wing. Omar said that the French Government will also assist in training of persons to handle the equipment.

He said the linguistics bureau will be constructed just outside the commercial centre in Castries, at a cost of EC 1.1 million.

"This cultural establishment will house conferences, exhibitions, and film shows of a St. Lucian or French nature. It will also offer training for St. Lucians, Dominicans, St. Vincentians, Grenadians, and Kittians," Omar said.

Trinidad and Tobago

Oil Agreement With Venezuela Creates More Jobs

FL2404002190 Bridgetown CANA in English 2314 GMT 23 Apr 90

[Text] Port of Spain, Trinidad, April 23, CANA—A new crude oil agreement between Trinidad and Tobago and Venezuela will result in the re-opening of an unused processing plant at the state-owned oil company and employment for over 200 people, officials said on Monday [23 April]. In a circular issued to employees, the Trinidad and Tobago Oil Company (Trintoc) said the agreement to process Venezuelan crude, will mean refurbishing of the company's lube oil plant. The plant at Pointe-a-Pierre, south Trinidad, has not been in use for over two years.

Trintoc's managing director, R.C. Dash, said the type of oil from Venezuela will be the type used for producing lubricating oils. Dash said some 250 people will be employed temporarily in refurbishing the plant with an additional 50 others being employed on a permanent basis. The processing agreement was signed last week.

Salinas Stresses 'Respect for International Laws'

*FL2304220790 Mexico City NOTIMEX in Spanish
2026 GMT 23 Apr 90*

[Report by Zully Roman]

[Text] Los Angeles, California, 23 Apr (NOTIMEX)—Mexican President Carlos Salinas de Gortari said here today that the struggle against drug trafficking requires that international cooperation be conducted within the strictest framework of respect for international laws and that it should exclude unilateral actions.

President Salinas arrived for a short visit in Los Angeles today. Salinas was the main speaker at the annual reception of the National Association of Newspaper Publishers (ANPA) held at the luxurious Century City Hotel.

Before over 2,000 people, Salinas de Gortari asserted that one cannot eliminate an illegal activity with another illegal activity. Salinas asserted that the force and effectiveness of international cooperation will depend to a great extent on respect for each country's laws.

Salinas said that cooperation must be conducted within strict respect for international legal order and without unilateral actions.

Salinas added: We will not fight drug traffickers' illegal activities with the arbitrary actions of those who pursue traffickers. Such actions would only affect the framework of essential cooperation and would entail running

the risk of encouraging illegal activities among those who have the obligation to ensure the law is respected.

Salinas said that the struggle against drug trafficking requires an unprecedented effort of international cooperation and that Mexico is making that effort.

In the opinion of those who attended the meeting, the topic discussed by President Salinas is linked to the alleged abduction of a Mexican doctor involved in the murder of DEA official Enrique Camarena in February 1985.

Humberto Alvarez Machain, 42, was allegedly abducted by bounty hunters and subsequently turned in to U.S. DEA officials at the International Airport of El Paso, Texas. It was said that the bounty hunters may have obtained up to \$100,000.

At the Ixtapa beach resort in Mexico last week, the Mexican and U.S. Attorneys General Enrique Alvarez del Castillo and Richard Thornburg, respectively, agreed to clarify the circumstances under which Machain was taken to the United States.

Salinas de Gortari stated: Over 350 criminal organizations have been dismantled and approximately 7 billion doses of marijuana, heroin, and cocaine will not reach consumers in the United States and other countries.

Salinas said: The value of the over 43 tons of pure cocaine that were confiscated in Mexico during the last 16 months—the time that the current Mexican administration has been in power—is equal to the total amount of our foreign debt.

El Salvador**FMLN Leaders on Dialogue Topics, FSLN Ties**

PA2304232890 San Salvador Radio Cadena
YSU in Spanish 1800 GMT 23 Apr 90

[Text] Farabundo Marti National Liberation Front [FMLN] Commander Salvador Guerra has stated that the problem that must be discussed in El Salvador is not the conflict's end, but the end of the conflict's causes, and he added that the FMLN continues the war in El Salvador because the conditions that provoked it still prevail.

The following is a portion of the news conference held by FMLN commanders yesterday, 22 April, in the town of San Jose La Flores, Chalatenango Department:

[Begin recording] [Guerra] First of all, the FMLN is studying the situation so as to begin discussions with the government about democratization. We believe that the elections can be discussed as part of the democratization issue. The FMLN would not mind forming a political party and participating in the elections if this were part of a true democratization process.

However, we will discuss several issues during the negotiations, including rights, justice, electoral laws, and the Constitution. We will prepare a proposal and present it for discussion. In other words, as far as the FMLN is concerned, we would not mind analyzing the possibility of participating in elections, but it will depend on how the negotiations progress.

[Unidentified reporter] Does this mean that you have yet to present an official [words indistinct]?

[Guerra] All that will be analyzed as we go on with the negotiations and, basically, in the measure that the democratization process is carried out. The FMLN maintains that the democratization process is essential for its participation.

[Reporter] [Words indistinct] how are you directly affected by the Sandinist government's defeat in the Nicaraguan elections, given that the [Salvadoran] Government has constantly accused you of [receiving] material and logistic aid from the Sandinist National Liberation Front [FSLN]?

[Guerra] We see that the Nicaraguan elections results are part of the progress being made in the democratization process throughout Central America. The greatest progress has been achieved in Nicaragua. We believe that the road toward democracy and peace in Central America will be opened to the same degree that the democratization process started in Esquipulas is strengthened—particularly in El Salvador through the talks scheduled to begin in a few days. Consequently, from the political viewpoint, we do not consider this a setback or a loss.

We obviously had relations with the FSLN as a political party, and they lost the elections. However, from the

strategic point of view, we have reached the conclusion that it is necessary to promote the process of real democratization in Central America. Therefore, the result of the Nicaraguan elections does not affect us [words indistinct], nor do we believe it affects us in a basic way.

Regarding logistics, we believe this is a point [words indistinct] because for many years the FMLN has supported itself based on its own efforts. Therefore, it would be better not to count on that. We are ready to discuss any point with the government, whether it is the democratization process or the cease-fire.

Regarding the cease-fire, or cessation of hostilities as they call it, we believe it is necessary to clearly point out some things. First, the FMLN has continued its war in El Salvador because of the causes that have historically generated war in this country, two of which are the unjust distribution of wealth and the lack of democracy [words indistinct] fundamental factors that prompted the appearance of the FMLN and war in El Salvador.

Therefore, the matter to be discussed is not the end of the war, but rather the end of the sources of the conflict, which are a lack of democracy and an unfair distribution of wealth. In this regard, we are concerned because the little progress attained with Duarte with respect to agrarian reform is being left behind [words indistinct] package swindle and that Cristiani comes and makes a moral appeal to businessmen [words indistinct] not to raise prices. However, he is raising fuel prices. This is similar to the appeal he made to us during our most recent meeting. He said he is maintaining a national level operation through the army, as commander [words indistinct]. He maintains a continuous operation, yet he complains if the FMLN launches any operation.

In this regard, we believe that the cease-fire problem has basically [words indistinct] to solve the causes of the war, not in a [words indistinct] manner, but only to discuss the possibilities of halting some armed operations. [end recording]

This has been a portion of the statements made on Sunday, 22 April, by Commander Salvador Guerra, member of the FMLN high command. The news conference was held in San Jose Las Flores, a village in northern El Salvador, which was under military occupation by about 100 FMLN guerrillas yesterday.

Analyzing the military situation in the country's northern zone, Commander German Serrano, member of the FMLN Modesto Ramirez Central Front, said that in April alone the guerrillas inflicted a total of 116 casualties on the army in Chalatenango Department. Commander German Serrano, who headed the occupation of the Sheraton Hotel last November during the FMLN military offensive, said the Army high command has thus far shown no desire to reach peace in the country through negotiations. According to the guerrilla

commander, the Armed Forces are carrying out extensive counterinsurgency operations with elite battalions and are thus provoking an intensification in the war.

After saying the FMLN would have no objection to organizing a political party to participate in future elections through a democratization process, Commander German, referring to the intense Armed Forces military campaigns, said that facts show the army has no goodwill.

Commander Salvador Guerra abstained from commenting about the mechanisms to accomplish the FMLN's incorporation into civilian life. He said all these matters will be analyzed as the negotiations and the democratic process, which will begin with the talks, develop.

Foreign Minister Swears in Envoys to Panama, Peru

PA2404021290 Panama City ACAN in Spanish
0043 GMT 24 Apr 90

[Text] San Salvador, 23 Apr (ACAN - EFE)—The Salvadoran Government spoke out today in favor of Panama's participation at the next Central American summit during the swearing in of the new Salvadoran ambassador to Panama.

"Panama has been invited to participate in the upcoming Central American summits because we have cordial relations with that country, and we hope that the ties between Central America and Panama will be increasingly strengthened," Salvadoran Foreign Minister Manuel Pacas stated today.

The foreign minister swore in Jose Fernando Sigui, new Salvadoran ambassador to Panama, increasing the level of the diplomatic mission in that country, which had been represented by several charges d'affaires during the regime of Manuel Antonio Noriega, former "strongman" of Panama.

The Central American presidents agreed at the last summit, which was held 2-3 April in Nicaragua, to invite Guillermo Endara to the next meeting of Central American presidents. El Salvador was the first Central American country to recognize the new Panamanian president, who took office after the 20 December U.S. invasion that overthrew Noriega, now facing trial for drug trafficking at a court in Miami (United States).

"Although Panama does not have historical links with Central America, it is linked to the region geographically and has many common characteristics and problems. This is the reason for trying to integrate it into the Central American group," Pacas stated.

The foreign minister also swore in Adalberto Gonzalez, new Salvadoran ambassador to Peru, who replaced Roberto Linares Nunez.

The Salvadoran Government also designated Napoleon Diaz as new ambassador to Chile, replacing Colonel Jaime Alberto Lopez.

Nicaragua

Military Personnel Resign From FSLN Posts

PA2304201090 Panama City ACAN in Spanish
1935 GMT 23 Apr 90

[Text] Managua, 23 Apr (ACAN-EFE)—It was officially announced today that all military personnel on active duty within the Army resigned today from leading party posts in the ruling Sandinist National Liberation Front [FSLN].

Among military personnel who resigned from positions of leadership within the party are General Humberto Ortega, defense minister and chief of the Armed Forces, and General Joaquin Cuadra, Army chief of staff and vice minister of defense. The two might be confirmed in their military posts by incoming President Violeta Chamorro.

The FSLN National Directorate's Secretariat announced in a communique issued today that all military personnel on active duty in the Army and the Interior Ministry have relinquished their posts of leadership within the FSLN.

The communique adds, "these comrades may again seek leadership posts without having to be suspended or discharged from the institutions of defense and the interior."

Chamorro Receives Credentials, To Decree Amnesty

PA2304215990 Managua Radio Sandino in Spanish
2000 GMT 23 Apr 90

[Text] During a solemn ceremony, Dr. Mariano Fiallos Oyanguren, president of the Supreme Electoral Tribunal [CSE], has handed credentials to Violeta Chamorro and Virgilio Godoy as the Republic's president-elect and vice president-elect, respectively.

Before special guests, members of the diplomatic corps accredited in the country, and authorities of the outgoing government, the president of the top electoral body said that this is the first time in Nicaragua's history that one party is peacefully turning over power to another.

In her speech to the participants at the credentials ceremony, the president-elect announced that her government will decree a general amnesty benefiting all the country's prisoners, including those who killed her husband, the martyr of public liberties, Dr. Pedro Joaquin Chamorro Cardenal:

[Begin Chamorro recording] I feel very honored and distinguished to have received my credentials from the CSE via Dr. Mariano Fiallos. [Words indistinct] my heart that this is the beginning of democracy in Nicaragua. This is the beginning of democracy [words indistinct], which, as Mr. Fiallos said, we have exhibited for the first time in many years.

I want to ask all of you to be confident that I will not betray anyone, that we will work in peace and [word indistinct], that we will be fraternal with all Nicaraguans,

and that no Nicaraguan residing in Nicaragua should feel insecure. We want them to feel secure, because this is their fatherland.

[Words indistinct] I am also pleased because we will no longer have war. I will not foster one, and I will not allow war to exist in this country. We want peace, reconciliation, pardon [words indistinct]. I believe that this is the only way for us Nicaraguans to be able to live in peace after so many years of sadness, bitterness, jail, torture, and death. Death is [words indistinct].

This has been like a miracle not only in Nicaragua, but in all the world, in all countries. [Words indistinct] we are following the example of countries that have also been [words indistinct]. Why should Nicaragua, with 3.5 million inhabitants, not live in peace? Why should we not act as brothers to our brothers, despite all the vicissitudes and sadness that we have suffered in the past 10 years and the years before that?

I am willing to pardon. I will issue a decree in Nicaragua granting a general amnesty to ensure that everyone returns to his fatherland. Something even more important: I pardon the murderers of my husband. I want them to live, because we want to start with a clean slate.

I will also abolish the obligatory military service, because we need this to reconstruct the country. We do not want weapons any longer. We want peace and calm [words indistinct] with the assistance of all countries of good will that wish to help us reconstruct this country, and also with the help of all Nicaraguans who have been in the Sandinist government. Let us work together in one way or another, because we are all Nicaraguans [words indistinct] we are all brothers [words indistinct] I want all of us to pardon each other.

I want you to be confident that I will keep this credential in my heart for the Nicaraguan people, to ensure that we will have peace and to prevent war, because there will be no war during my term of six years and nine months. We will have peace and reconstruct our fatherland. [end recording]

To Reveal New Cabinet 24 Apr

PA2404004790 Managua Radio Corporacion
in Spanish 2345 GMT 23 Apr 90

[Text] Danilo Lacayo, head of the media commission, has told our station that President-elect Violeta Chamorro will reveal her presidential cabinet tomorrow evening. Lacayo did not specify the exact time when the president would reveal the names of the persons who will be part of her work team once she assumes the country's top post.

However, it was said today that Dr. Francisco Rosales will be labor minister, Enrique Dreyfus foreign minister, and Francisco Mayorga finance minister.

I cannot say anything, Lacayo said, adding: I do not know how the selection process is progressing. He only reaffirmed that the new presidential cabinet will be revealed tomorrow.

Top Contra Leader Supports Demobilization

PA2404041290 Panama City ACAN in Spanish
0252 GMT 24 Apr 90

[Text] Esteli, 23 Apr (ACAN-EFE)—Commander "Franklin" (Israel Galeano), the top "contra" leader, announced today, for the first time, his willingness to fulfill the agreements for the demobilization of the organization, which were signed in Managua on 19 April.

In statements he made near one of the "security zones," established in the agreements as the place for the gathering and subsequent disarmament of the rebels, "Franklin," who did not sign the agreements, said the "commanders" who signed them "have all my support."

According to the agreements, the "contras" who are inside Nicaragua should gather in five zones in the next few days and should deliver their weapons to the UN "Blue Helmets" before 10 June.

However, the chief of the Nicaraguan Resistance (RN) warned that "we still have to see what happens on the day Violeta Chamorro takes over power," referring to 25 April, the day President-elect Chamorro will be sworn in.

Asked about the end of the war, Franklin responded: "It depends on the new government." He also pointed out that Chamorro "has to replace the current repressive army with a national police force."

"The contras could continue if we are led to that," warned Franklin, considered to be the top leader of the "contras" who have about 10,000 fighters inside Nicaragua.

In the past few days, several RN leaders have announced their intention not to lay down their weapons if Chamorro confirms the main Sandinist People's Army's high-ranking officers.

"Franklin" was accompanied by other rebel leaders and several hundred "contra" fighters, who are awaiting instructions from their "commanders" to enter security zones being prepared by the UN forces.

Godoy on New Administration, Military

PA2404012390 Managua Radio Corporacion
in Spanish 2321 GMT 23 Apr 90

[News conference by Vice President-elect Virgilio Godoy Reyes with unidentified reporters in Managua on 23 April—live or recorded; broadcast in progress]

[Text] [Godoy] ...Contadora, solved by the Esquipulas negotiation process, which also insists and states that this should cease. This issue was already discussed in Montelimar during the last presidential summit, as part of the future plans. What we really need to do is channel our energies into work. Therefore, I think that more and more people are thinking about this need.

[Reporter] Do you think that the CIAV [International Commission of Support and Verification] can disarm the armed peasants?

[Godoy] Excuse me?

[Reporter] That it can disarm the armed civilians?

[Reporter] What can you tell us about this?

[Godoy] Excuse me, but you are asking several questions at the same time.

[Reporter] Do you think that the CIAV is strong enough to disarm the armed peasants and civilians?

[Godoy] That is not part of their job. The CIAV has to work with the irregular armed groups of the resistance, but the peasants' issue causes concern here. Who will be in charge of collecting the tens of thousands of weapons that are currently in the hands of persons who are not part of an organized group and therefore are not subject to any kind of control? That is an issue that causes concern around here.

[Reporter] There are reports about a rapprochement between the [words indistinct].

[Godoy] If you believe BARRICADA, then beware, because you are going nowhere.

[Reporter] Eli Altamirano said this.

[Godoy] BARRICADA claims that Eli Altamirano said this. That newspaper has also claimed that I said many things.

[Reporter] Does this mean that the same policy will be followed?

[Godoy] What policy?

[Reporter] That there [words indistinct]?

[Godoy] No, that is something you, not BARRICADA, have invented. [laughter heard in background]

[Reporter] But you will begin to rule with an army that [words indistinct] and the commanders will be basically the same ones. [Words indistinct] army, when will the reductions and changes begin?

[Godoy] Look, the advantage is that a sizable amount of the army's commanders, meaning those who are currently colonels, are not really military officers in the traditional sense. They are people who suddenly got involved in military activities. Many of them are even professionals in different occupations. There are physicists, lawyers, engineers, everything. Therefore, I do not believe they have been inoculated to have a military mind. They understand, and they know it quite well, that Nicaragua does not need a military structure like the one which currently exists.

[Reporter] [Question indistinct]?

[Godoy] In a certain way.

[Reporter] Rumors are again circulating to the effect there is a possibility General Humberto Ortega will be appointed chief of staff of the Army. What could you tell us about that?

[Godoy] Well, there are many rumors circulating in the country. However, the only person who can clear them up, eliminate them, or confirm them is Violeta Barrios de Chamorro. I would suggest you ask her that question.

[Reporter] Do you think she can answer that?

[Godoy] Of course. I am her spokesman, but I am not authorized to speak of something that I have not been told.

[Reporter] What will your role be in the new cabinet?

[Godoy] The one specified by the Constitution.

[Reporter] Only that?

[Godoy] Yes, only that.

[Reporter] You will only be the vice president?

[Godoy] That is correct.

[Reporter] You will not be paid a salary?

[Godoy] How do you think Sergio Ramirez was living in such an elegant manner? Of course the vice president is paid a salary. Of course. Naturally. The vice president has always been paid a salary in this government, in the governments of the Somozas, and in the government prior to the Somozas, and he will also be paid a salary in the government that follows the Sandinists. That is a job like any other in the state organization. The Constitution specifies that he who works must be paid a salary.

[Reporter] [Question indistinct]?

[Godoy] I do not know.

[Reporter] You are not interested in that?

[Godoy] Yes, I am interested in that, but it does not do any good if I worry about that now, because that has already been specified. It is not a salary that the government and the vice president will discuss. The salary has been specified, and it is what it is, whether I like it or not.

[Reporter] Dr. Godoy, I noticed that in his speech Mariano Fiallos said that [words indistinct].

[Godoy] I think that it is a good idea. Everywhere in the world the outgoing vice presidents receive a pension. Too bad the outgoing vice president has rejected this. It is not too nice. Perhaps he could have waited, because Violeta Chamorro was planning to present a draft bill that would establish a life-time pension for the vice presidents of the republic.

[Reporter] In his speech, Mariano Fiallos did not say anything about the international observers. I would like for you to comment how this fact is part of the history of Nicaragua.

[Godoy] What we are experiencing now is the result of many circumstances. The civic values of the Nicaraguan people were at stake here. In the long run, the Nicaraguan people decided that this was the end of the Sandinists. The international observers were here to guarantee the honesty of the voting and the final vote counts. There were many international journalists here, and they also played an important role so there would not be many outrages.

We could mention a long list of factors. I believe that the attention paid by many governments, the people who were here, and the fact the Nicaraguans, from the capital city to the last village in the country, shouted they were no longer afraid, are all factors that explain why we are experiencing this situation.

However, this is only an initial step. The second step begins on 25 April. The responsibility lies with the government that rises to power with the backing of the votes, with the support of that 54 percent. Actually, there was more than 54 percent, but the official records reduced it to only 54 percent. We also had the silent support of the Nicaraguans who were living abroad, and of the armed rebels in the mountains. So, I will not go on mentioning factors. Which ones shall I mention? The government will take the second step. There is a program, a commitment, and a promise which I am sure we will fulfill.

[Reporter] What will happen with Humberto Ortega? Is he leaving for sure?

[Godoy] We will have to wait until the day after tomorrow, when the box will be opened, and the surprises will be shown.

[Reporter] Chamorro said this morning that Humberto can stay if he resigns his post at the National Directorate of the Sandinist National Liberation Front [FSLN] today. I think you would not agree with this.

[Godoy] Personally, no.

[Reporter] You do not want problems with that. I mean the political council. Would this not risk the unity of the National Opposition Union?

[Godoy] That is the government's responsibility. The political council does not determine what the government does. The council can advise, suggest, and even criticize, but it cannot tell the government what to do.

[Reporter] This means you are at the same time representative of the political council and vice president. Are you on the side of the government or the political council?

[Godoy] I am on the side of Nicaragua, which is the most important of all.

[Reporter] Dr. Leopoldo Navarro said in Honduras that your government expects to end Sandinism in two years. What have you to say about this?

[Godoy] You are asking tremendous and terrible questions. The official newsmen are terrible here. We will not put an end to the FSLN. It will disintegrate by itself. It does not require any aid. It is eliminating itself. Its present reactions are an effort to keep alive a while longer. I am also not interested in Sandinism's end. I think it would be well for it to survive because we need it to work and rebuild some of what it destroyed.

[Reporter] How could you establish this somewhat distant relationship between the FSLN's 40 percent of the vote and General Pinochet's 40 percent in Chile?

[Godoy] There have been attempts to establish a parallel, but I think the two are realities considerably different from one another, although they aim a little in the same direction. In Chile, there was a personal dictatorship. The people could have waited 10 years longer. Pinochet is an old man. We do not think he will live long. Once Pinochet disappeared, the dictatorship would have disappeared also. But in Nicaragua, there was and still is an institutional dictatorship. This is something else. It could have survived even with its own founders. This is what is crumbling. This is part of the spectacular events we are witnessing, the crumbling of an institutional dictatorship as the result of the people's vote aided by the presence of international observers. This is also the result of the civil war. All of this is part of the same event. So Chile's case resembles ours and at the same time is different. In the two cases, the process aims at the country's democratization. This is what counts. What Chamorro said about covering the past with the mantle of oblivion is true to the extent that we should devote all of our energies to rebuild the democracy and future. Of course, this does not mean forgetting the past. It is dangerous to forget the past because remembering it will enable us to avoid making the same mistakes we made in 1975.

[Reporter] There is one other point. Pinochet is remaining commander in chief of the Army. In Nicaragua, there seems to be a tendency to copy Pinochet's example.

[Godoy] I hope not. I trust that will not be the case here. I do not wish it to be like that here. I will even dream tonight so that it will not happen.

Contras, EPS Troops Clash in El Espinal

PA2304203290 Managua Radio Sandino in Spanish 1939 GMT 23 Apr 90

[Text] Two days before Violeta Chamorro takes office as president of Nicaragua, Sandinist soldiers and contra fighters clashed in northern Nicaragua, the first armed incident since the cease-fire was signed on 19 April.

According to reports by a number of peasants in El Espinal, where the incident took place, the clash began when the Sandinists attacked a column of approximately 250 contras who were near the town, which is approximately 25 km from Esteli, near the Honduran border.

Approximately 250 commandos—the name peasants use to describe the contras—were in El Espinal when the soldiers began firing mortars, said Juan Mesa, a peasant from El Espinal who does not conceal his fondness for the contras. Other peasants and cattlebreeders who were questioned agreed that the attack began on the high hills where the Sandinist People's Army [EPS] troops were stationed. They said that the contras answered the fire with hand grenades and AK-47 assault rifles.

In Esteli, sources close to the EPS said that the first clashes took place on the afternoon of 21 April when, they said, the contras attacked military positions near the Pan-American Highway.

The attacks in El Espinal, Las Cuevas, and Tomabu left three contras wounded. One of them, nicknamed El Maca, was wounded in the head.

Over 400 peasants were forced to flee to other towns to avoid the grenades and machinegun fire. Approximately 150 peasant women and children spent almost four hours at the La Salud retreat to protect themselves from falling shells and machine-gun fire that had hit the roofs of several homes. The contras responded with AK-47s and grenades launched with RPG grenade launchers, but were forced to retreat to the mountains.

Defense Ministry on Clashes

PA2404030190 Panama City ACAN in Spanish
0110 GMT 24 Apr 90

[Text] Managua, 24 Apr (ACAN - EFE)—The General Command of the Sandinist Army reported today that the contra forces continue violating the cease-fire they signed in Managua on 19 April.

A Defense Ministry bulletin stated that on 20 April a rebel group intercepted a vehicle in the area of Llano El Charco, Esteli Department, with the intention of "intimidating and threatening its occupants."

That same day, another contra group kidnapped three peasants in El Guanacaste, in Esteli Department, while another rebel group stopped a vehicle in Wawule, Matagalpa Department, and stole 36 million cordobas (\$288).

The official report indicated that on 22 April, other contra forces entered the town of San Lorenzo, Esteli Department, where they stole 30 million cordobas (\$240).

The Defense Ministry report contrasts with reports from Esteli, where it is stated that the contras who today were on the road near Piedras Largas were exchanging greetings with the occupants of vehicles passing through that area.

Editorial Criticizes Government Workers' Attitude

PA2204171890 Managua LA PRENSA in Spanish
20 Apr 90 p 4

[Editorial: "Peace Will Only Be Achieved With Sincerity"]

[Text] The Sandinists are on the verge of a breakup. A group that lives on contradictions—although it uses this lack of logic as a weapon, a very inefficient weapon—basically causes damage to its own group or party. For example: The same day, and almost at the same hour, that the Sandinists' president arrived at Mrs. Chamorro's house to assure her that there will be a peaceful turnover of power, a high-ranking official stated on television that as long as the contras are not disarmed or broken up, no public employee will talk to or give any information to the transition commission. In other words, the president appears as a civilized person, whereas his subordinates act like barbarians, refusing to facilitate the turnover of power. That official and almost all the ministries and their employees have adopted the same attitude. They use the contras as a pretext and refuse to deliver inventories, and the inevitable happens when they refuse to deliver inventories—the state's assets are seized. Every day we receive reports about this new Sandinist method. It began with the communist principle that "the ownership of land is theft," and it ended with the implementation of the barbaric principle that "theft is an acquired right."

Naturally, those who take what belongs to the state will be denounced, taken to a court of justice, and punished. What belongs to the state belongs to the people, and no one has the right to bequeath to the people offices from which vehicles, office supplies, and other assets have been stolen—thus delaying public services and giving Nicaragua the sad and savage aspect of a backward country.

A major problem thus befalls the Sandinists. They will be discredited because they will be held responsible for allowing those contradictions and setting this example of low morals (foreign news agencies and newspapers are already commenting on this because it is a public scandal). Furthermore, and this is worse, the party will be discredited and degraded if they carry out actions of "every man for himself," because they will be overwhelmed by a defeatist attitude that will inevitably lead them to a breaking point.

He who thinks that he is contributing toward the future of the Sandinist National Liberation Front [FSLN] by looting his work place, hindering the turnover of power, and leaving an inheritance of barbarianism is not only risking legal measures, he is also discrediting the FSLN's history and proclaiming its low morals. President Ortega will put the [presidential] sash on Mrs. Chamorro, but this is not enough. There is another sash that every authority and public employee must turn over in an honest and civilized way—the sash of honesty, the sash with the national colors and patriotism, which do not portray us as an uncivilized and criminal nation in the eyes of the world.

Mrs. Chamorro had nothing to do with the contras. The democratic victory of UNO [National Opposition Union] had nothing to do with the contras. The contras are an FSLN problem and, thank God, it has been resolved. All the fuss, all those hordes shouting insincere

words, and all those much publicized fasts are unnecessary. The people have already voted against the FSLN's propagandistic tricks that convince no one. It is time to prove the democracy of Sandinism; it is time to prove the truth of its democracy without contradictions. This is done by acting without hypocrisy and without erasing with the elbow what the hand has written.

Reconciliation demands sincerity. The people who voted for UNO on 25 February also demand this.

Paper Issues Warning To Remain on Guard

PA2204151890 Managua *EL NUEVO DIARIO*
in Spanish 21 Apr 90 p2

["Second Page" column]

[Text] Now that the contras have once again promised to definitively set aside their arms and the outgoing government has agreed to extend the demobilization deadline to 10 June, following its chain of concessions in the search for peace, the danger that war could break out more vigorously is dramatically increasing, regardless of the fact that optimists—who are rather more naive than rational—feel that it is very possible that the hackneyed agreements will be complied with.

In any case, if such public agreements are complied with, it would not be thanks to the puppet counterrevolution and its puppeteers, but to the aggressive, strong, and unhesitating determination of the national community, its city and rural workers, intellectuals, artists, professionals, and students, and the men and women who voted for peace and a safe, dignified, and productive life.

The class-oriented nature of the empire, promoter of the war, and of the new government—as much as they use "appeasing" language—is a factor that must keep us on guard and combat-ready to prevent them from having their way through treacherous maneuvers to allow the contras to perpetuate their plans for power, which is the core of the strategy of the yankee ultra-rightists and their puppets in this country.

In this regard, it is timely to recall that political science taught us a long time ago that: "In politics, men explain that they have always been the foolish victims of other people's deceit. They will continue to be victims unless they learn to discern that behind all the phrases, statements, and moral, religious, political, and social promises hide the interests of one class or another."

However, that is not all. This science also adds a warning: "Those who back reforms and improvements will always be mocked by those who defend the old, unless they learn to understand that any old institution—as barbaric and rotten as it may be—is upheld by the power of one ruling class or another. They must learn that there is only one way to overcome the resistance of these classes—find in the society that surrounds them the forces that, because of their social status, must form

the force capable of sweeping the old and creating the new. These forces must be educated and organized."

Let us hope that the governed and their leaders will not forget this warning!

Commentary on 'Vengefulness' of Right-Wing Media

PA2004193990 Managua *Radio Sandino* in Spanish
1240 GMT 20 Apr 90

[Station commentary]

[Text] The right-wing media, including LA PRENSA, the official newspaper of the government-elect, cannot cover up its vengefulness, and it is lashing out at those who are warning about the possibility of a civil war.

After the signing yesterday of the cease-fire, disarmament, and demobilization of their armed allies, the contras, the people associated with that media, are trying to manipulate public opinion by claiming that such warnings are warmongering and seek to hinder the negotiations.

These people are cynically covering up the fact that warmongering was the exclusive domain of those who stubbornly sought to destroy the Nicaraguan revolution, to the point of requesting foreign military intervention, as Jaime Chamorro of LA PRENSA did.

Moreover, how would they answer the question: Who were the real beneficiaries of the war that the Nicaraguan people have endured for 10 years? Did LA PRENSA not receive payments in dollars from the Washington government during that period of time? Were the peasants, workers, combatants, and soldiers the beneficiaries of the trade embargo imposed by Ronald Reagan in May 1985 against all of Nicaragua except for the private sector, including its media?

The war against the Nicaraguan revolution helped their leaders amass great wealth. Do the Adolfo Caleros, Enrique Bermudezes, Arturo Cruzes, Alfonso Robelos, and so on, not live ostentatiously in Miami? Who were the beneficiaries of the \$1.5 billion that the U.S. Government gave to the contras during 10 years of war other than the Pedro Joaquin Chamorro Barriosos, Alfredo Cesars, Roberto and Azucena Ferreys, and many other members of the [contra] directorate, who are now UNO [National Opposition Union] members?

The danger of a civil war exists as long as there is one armed contra left. In Yamales, the world saw that they surrendered not a single weapon in good repair. This shows that their weapons are still pointing at the Nicaraguan people.

Despite the natural skepticism shared by the people, the accords signed yesterday stand as a beam of hope in the efforts to achieve the much-desired peace. The deadline for the disarmament and demobilization of the contras was extended only to contribute to peace. There are daily calls for prudence and for their actions to match their

words. The right-wing media should be less vengeful in knowing that they are indebted to the Nicaraguan people who voted for peace.

Editorial Skeptical of Contras' True Intentions

PA2204163790 Managua BARRICADA in Spanish
20 Apr 90 p 3

[Editorial: "The Contras' Final Deadline"]

[Text] Yesterday at dawn, after 18 difficult hours of negotiations, the contras agreed to finish disarming and demobilizing by 10 June, at the latest.

This commitment embodied in the so-called Toncontin addendum is the most momentous of the various agreements signed in Managua, including the definitive cease-fire between the contras and the EPS [Sandinist Peoples' Army].

From the start of direct negotiations in Sapoa, going past the Managua talks and the recent Toncontin agreement, the contras have always refused to accept the demand for fixing a final deadline to disarm. To those who have benefited for eight years from the dirty business of war, it was simply unacceptable—possibly it will continue to be so for many—to accept their defeat and cease to exist as an armed force of the U.S. interventionist policies.

All along, this refusal has been the main defect of the agreement. It has been the primary cause of noncompliance, because the contras have never felt compelled to end the war—and there were no mechanisms to compel them.

However, the combination of various factors, in which the contra's military defeat and their total lack of political legitimacy stands out, yesterday left them chastised, without any alternative but to accept their disarmament calendar. To tell the truth, this acceptance has been imposed on the contras by the peoples' will and the will of the Sandinist National Liberation Front, that with heroic mobilization—at war, in regional negotiations, and in the democratic process that will end with the transfer of power—buried the mercenaries' political possibilities as a war-like force.

At any rate, the citizens ask themselves quite correctly if the contras' apparent change of attitude might not be a calculated maneuver to gain time to await a more favorable situation, after the transfer of government, that will allow them to remain armed and impose on the new government their absurd political conditions.

Knowing the contras' warmongering and antidemocratic track record, the mistrust is fully justified. However, one should also take into account that the country has enough political and practical pressure mechanisms to counter any defiant act, which would immediately receive total national and international isolation.

Once the contras accepted a deadline to demobilize, it became an irreversible process that should be guaranteed by the ONUCA's [United Nations Observer Group in Central America] international forces, whose mission

ends only once the contras are completely disarmed. The government has also assumed an unequivocal agreement with set dates for disarmament, ruling out any political negotiating with the guerrillas.

Therefore, if the contras break the agreement, they would be declaring war against the new government, against the people's will, and against the agreement of the governments that support the UN peace actions. Under those circumstances, having broken the cease-fire, Nicaragua's constitutional Army would become the center of national attention for vigorously reducing a terrorist force working outside the law.

This is an unwanted event, but one that cannot be ruled out because the complex final road to peace is fraught with risk. The intent is not in "discovering" that the contras most assuredly have ulterior motives, but in actively joining forces to compel them to carry out what they have promised.

Commentary Says People Wary of Contras' Promises

PA2104190290 Managua EL NUEVO DIARIO
in Spanish 20 Apr 90 p 2

["Second Page" column: "Seeing Is Believing"]

[Text] The definitive cease-fire agreements and the beginning of the counterrevolutionaries' demobilization and disarmament did not prompt the widespread euphoria that some people expected, because the Nicaraguan people are tired of the nation's enemies' failure to fulfill agreements, and of their cheating, tricks, and betrayals. The Nicaraguans know that the threat will continue to exist until not a single armed mercenary is left.

The fact that the contras can no longer put off signing the acknowledgement of their military and political defeat, following eight years of terrorist activities sponsored by the U.S. Government, is obviously a clear victory for the Nicaraguan people, who—even during the last hope-filled days—began making formidable preparations for a nationwide strike to be carried out if the mercenaries continue to refuse to demobilize and continue to set conditions for a disarmament that should be unconditional.

However, the people must continue making the efforts, which have cost so much blood and grief over the past decade, to ensure and verify the contras' strict fulfillment, to the letter, of the agreements signed in Managua at midnight on 18 April.

The history of Latin America—especially Nicaragua's—is, unfortunately, rich in true examples of betrayal. We must not allow Zapata and Sandino to be assassinated again.

Therefore, in response to the definitive cease-fire and the counterrevolutionaries' demobilization and disarmament, which would mean total peace in the country, we Nicaraguans say: Seeing is believing.

Panama**Endara Interviewed on U.S. Aid, Public Force**

PA2404043290 Panama City Telemetro Television
in Spanish 2331 GMT 23 Apr 90

[Interview with President Guillermo Endara by unidentified reporters in Panama City; date not given—recorded]

[Text] [Endara] I hope that the U.S. economic aid is approved by 30 April, when I am scheduled to lunch with President Bush. We will thank President Bush on behalf of the Panamanian Government and people, because he has been very generous with the Panamanian people, and he has been consistent in all his actions toward us. He has been aware of our needs, not only our economic needs but also our moral needs, such as political freedom and democracy. That will be our main message, a message of gratitude from the Panamanian people to President Bush, on a personal basis and as the leader of a great nation.

[Reporter] Do you feel confident and optimistic that the aid will be approved by then?

[Endara] I am not fully convinced about this because, as you well know, the procedure for the approval is a democratic process in the United States, and one of the prices you have to pay for democracy is that sometimes the procedures are not so fast.

[Reporter] [Words indistinct] held contingent on the banking law reforms?

[Endara] No, no, no, no. None whatsoever. The delays in the United States are strictly due to internal U.S. policies. They do not imply a problem with Panama.

[Reporter] Could this delay be politically undermining the government, given that it has not been able to solve critical problems?

[Endara] I think your assumption is wrong. We have indeed been able to solve many problems. We do not have resources for certain plans, or a sizable part of our economic plans, but we have certainly solved many of the critical problems prevailing in Panama.

[Reporter] You are the supreme commander of the Public Force. The people have demanded a purge in the Public Force's top echelons. The Civic Crusade has requested that a national commission be formed and that the Public Force not be organized behind the Panamanian people's backs.

[Endara] I say what Belisario Porras [first Panamanian president] used to say: Where are the people? The people are not one person; the people are not a group. The people's representation cannot be assumed by any group or person in a democracy, not even by the president of the Republic. However, all the groups have the right to give their opinion and state their views. The proposal to create a commission will be carefully studied. In fact, a commission already exists that advises the minister on certain issues referring to the Public Force, but we will certainly study the proposal.

[Reporter] Are you satisfied with what has been done with the Public Force so far?

[Endara] I can tell you with all sincerity that I think we have embarked on the right road. This, like any other human work, has its defects and imperfections; a lot remains to be done, but I think we have embarked on the right road.

Government Appoints Charge D'Affaires in Peru

PA2404035190 Panama City Telemetro Television
in Spanish 2300 GMT 23 Apr 90

[Text] Given the national government's interest in normalizing diplomatic relations with the Peruvian Government, the Foreign Ministry reported today the appointment of Alexander Cuevas as charge d'affaires in Peru. The Foreign Ministry issued a communique reiterating to the diplomatic missions accredited in Panama the national government's interest in maintaining excellent diplomatic relations with all the democratic countries.

Bolivia

Italian Ambassador Discusses Aid to Nation

PY2404023890 La Paz La Red Panamericana
in Spanish 0000 GMT 24 Apr 90

[Excerpt] Italian Ambassador Giovanni Mingazzini stated the aid granted by his country to Bolivia amounts to approximately \$100 million and that it is granted through multilateral and bilateral arrangements.

Ambassador Mingazzini said multilateral programs for the development of alternative crops, education, and prevention of drug abuse are being carried out.

The ambassador then said that among the many programs in the bilateral field, six are under way. Of those programs three are for the agricultural sector in Villa Montes, (Chalchaper), Ayopaya, and El Porvenir in Pando amounting to \$30 million. He also referred to the construction of the Cochabamba airport, which he termed as very significant for this city and which is scheduled to be ready by the end of this year.

The Italian ambassador to Bolivia said that President Jaime Paz Zamora's visit to Italy will allow an increase of Italian aid to our country. [passage omitted]

Reportage on Paz Zamora Visit to Europe

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For reportage on the visit of President Jaime Paz Zamora to Spain, Italy, and Belgium please see the respective sections of the 23 April West Europe DAILY REPORT and subsequent issues.

Brazil

* Rivalry Among Economic Team Members Viewed

* Power Struggle Ensues

90SM0028A Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 1 Apr 90 Economic Section p 3

[Article by Suelly Caldas]

[Text] Rio de Janeiro—The first political crisis faced by the Collor government, with the resignation of the special economic secretary, Marcelo Paiva Abreu, did not end with the departure of the Pontifical Catholic University-Rio de Janeiro (PUC-RJ) economist. This week it continues, with even greater intensity. But the events of recent days have served to clarify the back-room disputes within the government's economic team. The "PUC-RJ group," of which the most influential member is the president of the BNDES [National Bank for Economic and Social Development], Eduardo Modiano, is on one side, and the "Cotia group" is on the other. The

Cotia group is made up of former Cotia Trading company officials, one of whom is Carlos Henrique Morais, Minister Zelia Cardoso de Melo's partner in the ZLC consulting firm.

Outside the government, the group made up of former executives of Cotia, which is the largest private trading company in the country, is also involved in another conflict with Interbras [Petrobras [Brazilian Petroleum Corporation] International Trade, Inc.], its oldest and most powerful rival. Its officers are accusing the group and the present Cotia management of having tried to drive it out of existence in order to inherit the export contracts worth billions which the Petrobras trading company has with oil-exporting countries such as Iraq, Iran, and Saudi Arabia. Cotia's president, Joseph Tundundjian, denies the charge, but believes that Petrobras should pass on to the private trading companies the counterparts given to Interbras in connection with the purchase of oil from the Middle Eastern countries.

Who's Who

The Cotia group is large, but few of its members have clear assignments on the economic team. Sergio Nascimento has especially great influence because he heads Minister Zelia's office staff. He had her support in the clash which resulted on the resignation of former secretary Marcelo Paiva Abreu, of the PUC-RJ group. Zelia's subsequent attitude, however, was one of caution in managing the conflict between the two groups. She accepted Abreu's resignation but appointed diplomat Jose Artur Denot de Olivera, who was recommended by the PUC economist, to head the Department of Foreign Trade. This action put an end to the Cotia group's hope of seeing yet another of its members, Joao Rodrigues da Cunha, given that post. This was the group's first defeat. The next may come next week. Sergio Nascimento and Carlos Henrique Morais, Zelia's partner in the ZLC, have insistently urged the appointment of Mauricio Assis (who currently heads the Basic Materials Department of the Cacex [Foreign Trade Department]), and has been a friend of the Cotia group for years) to the second highest foreign trade post—head of the section of the nucleus which will remain after the reorganization of the Cacex. It was because he disapproved of but could not prevent this appointment that Abreu submitted his resignation. However, he also left on Zelia's desk a recommendation that Heloisa Camargos, who is currently the executive secretary of the Customs Policy Council (CPA), be given that post. The minister will make her final decision within the next few days, but not until she has heard the opinion of Abreu's replacement, economist Joao Maia, and the new head of the Department of Foreign Trade, who has no known links with the personnel of Cotia.

Apart from Sergio Nascimento, only Carlos Enrique Morais, a consultant in the price sector, has a definite assignment on the economic team. But Joao Rodrigues da Cunha, Jose Marcos Joaquim, Luiz Felipe Nolasco, and Ruy Moura, all former Cotia officials, are welcome

at the Ministry of Economy, as is Antonio Pargana, a consultant to the Ministry of Infrastructure on foreign trade.

Conflict Dates Far Back

The rivalry between Cotia and Interbras goes back a long way, and the dispute involves the markets which buy Brazilian products. Interbras forced Cotia out of the beef market in Iraq, according to a former official of the private trading company, by dumping or, in other words, offering \$4 per ton lower. But the \$2.7 billion invoiced by the Petrobras trading company is coveted by other companies, as well. The foreign activities of Interbras are well-known to the group of former Cotia executives who have been associated with Minister Zelia since the economic team's first meetings in Sao Paulo. They deny that they influenced the decision to eliminate the Petrobras trading company, but they have been unable to conceal their satisfaction with it.

* Cotia Influence Viewed

90SM0028B Rio de Janeiro O GLOBO in Portuguese
1 Apr 90 p 7

[Article by Mariza Louven]

[Text] The influence exerted by the Cotia Trading company on the Collor government's economic team went unnoticed until Secretary of Economy Marcelo Paiva Abreu resigned on Thursday. The economist returned to the PUC-RJ, which he left to serve in the government, stating that he could not work with what he called the "centralizing style of Minister of Economy Zelia Cardoso de Melo." But the truth is that he resigned because he could not accept the appointment of a Cotia executive, Roberto Gianetti Fonseca, as the head of the Department of Foreign Trade (formerly the Cacex).

The fact is that Roberto Fonseca is a partner in Silex, a firm which grew out of the division of Cotia, where his brother, Marcos Ginetti Fonseca, the planning secretary at the Ministry of Economy, was already employed. The departure of Marcelo Abreu was triggered when he tried to get economist Heloisa Camargo, of the Customs Policy Council, appointed to the Department of Foreign Trade. But the minister rejected the suggestion, preferring to appoint Roberto Fonseca, who was the choice of the chief of her office staff, Jose Nascimento, also a former Cotia executive.

Her former partner and friend Carlos Henrique Moraes also works in close proximity to Zelia's office. He has been a participant since the economic reforms were first introduced by the government, most actively in connection with the administrative reform which led to the elimination of Interbras, a subsidiary of Petrobras. During the Dilon Funaro administration, Moraes headed the Farm Price Sector of the old Supply and Price Secretariat, at the time of the accusation (generated by the CPI [Commission for Congressional Investigations] on Foodstuffs) that the

agency was authorizing unnecessary food imports in 1986, in which Cotia Trading was involved.

Cotia seems to have had a lock on a position in this sector since then. After Moraes, another former official of the trading company, Vitor Pellegrini, held this post, which is now occupied by Mauro Bosquero, who also comes from the Cotia cadre. This position is regarded as strategic by the veteran Ministry of Agriculture advisers, because the incumbent issues opinions on grain imports and exports, the sector in which the trading company operates.

According to a source close to Abreu, economist Joao Maia, who replaced him in the Secretariat of Economy, will issue an invitation to Heloisa Camargo, so as to refute any allegations of error. Even if he does so, it has become clear that Cotia will use every stratagem to retain its parallel influence in the government. And in any case, the company has won the first round in the fight, with the appointment of the strong man in the Department of Foreign Trade. This is a strategic post for whoever wants free access to imports, which are still controlled by the government.

In addition to the Ministry of Economy posts occupied by Cotia officials, former employees of that company are also to be found in other sectors linked with foreign trade. Antonio Pargana, a friend of Roberto Gianetti's, is a consultant on foreign trade matters to Minister of Infrastructure Ozires Silva. And the new vice president of the International Division of the Bank of Brazil, Narciso Fonseca, also is connected with the trading company.

New Opportunities

Cotia is the second largest trading company in the country, surpassed only by Interbras, a subsidiary of Petrobras which will soon cease to exist. The firm has already said that it wants to hire Interbras foreign trade technicians if that state enterprise does in fact cease to function. It already has acquired one former Interbras executive, director Joseth Tutunjan, who is close to Shigeaki Ueki, the former minister of mines and energy and former president of Petrobras.

Although the involvement of Cotia with the economic team is regarded by government bureaucrats as deliberately manipulative, they have no evidence that the enterprise has obtained any benefit from any economic measure or administrative official.

They agree, however, that the elimination of Interbras will inevitably work to the advantage of Cotia Trading, since as an efficient organization, it will move into certain market areas vacated by the state trading company. Moreover, Cotia has already benefited in irregular fashion from the state monopoly on oil imports. In 1985, the trading company engaged in an exchange of oil for foodstuffs with Nigeria by delegating authority to Petrobras. The courts ruled that this use of an intermediary was illegal, and the lucrative business was suspended.

The Office of the National Treasury Procuray feels that even after Interbras ceases to exist, the profitable business of importing oil in exchange for payment in various goods will not be legal for any private firm, since the Constitution assigns a monopoly on the import of oil to the state.

* State of Parastatals Inherited by Collor Viewed

* Excesses in Personnel

90SM0005A Rio de Janeiro O GLOBO in Portuguese
11 Mar 90 p 12

[Article by George Vidor; first five paragraphs are O GLOBO introduction]

[Text] President Collor will take control next week of a gigantic and generally inefficient administrative machine that has already been identified, largely due to the winning rhetoric of the president-elect himself, as one of the main reasons why inflation is out of control. There are 598,455 people working for government enterprises plus 694,764 federal employees. Those figures, impressive in themselves, have remained stable over the past 10 years. Of the total, only 119,000 employees lack job tenure, since they were hired during the Sarney administration. One of the first measures to be announced by President Fernando Collor is to be the firing of 120,000 government employees as a means of shrinking the administrative machinery and controlling the public deficit.

The number of employees in government enterprises, for example, has risen by only 1.8 percent since 1980. That is the equivalent of an increase of 10,616 employees, 6,102 of whom were hired under the Sarney administration. But significantly, those government enterprises which are experiencing the biggest cash problems—Petrobras [Brazilian Petroleum Corporation], for example—are the ones that have hired the most people in recent years. With rare exceptions, government firms—the victims of poor management and low productivity—are currently in a deficit situation that only privatization can correct.

The number of employees in the federal administration rose by 7.3 percent under the Sarney administration. That amounts to an increase of 5,018 employees since 1984, a reasonable figure for an economy that grew by 25 percent during the same period. But the frightening thing is the distortion. Personnel expenditures represent 3.9 percent of the country's gross domestic product [GDP], and that is nine times as much as is spent on investment.

There are small and large distortions. The Office of the President of the Republic, for example, has over 3,000 employees. But the largest distortion is in the field of education. Having won their much celebrated autonomy, the universities and federal institutions of higher education went on a hiring spree and now employ 160,000 people, or 22 percent of all federal employees.

This means that there is one employee for every four students, an unimaginable ratio in any organized country.

But the biggest salaries in the Republic are not in the government enterprises but in the legislature. The highest pay in the country goes to the secretary general of the Standing Committee of the Senate, Nerione Nunes Cardoso, who thanks to legal conjuring tricks and various kinds of payments will receive the trifling sum of 1,252,000 new cruzados this month. But the maharajahs in the legislative branch are not all in carpeted offices: a simple assistant whose job it is to deliver documents or even to serve coffee can receive as much as 120,000 new cruzados.

President Fernando Collor will inherit from his predecessor about 695,000 federal employees (in the ministries, semi-autonomous agencies, foundations, and autonomous organizations), of whom nearly 119,000—hired during the Sarney administration—do not have job tenure guaranteed by the Constitution. But even if he does not adopt any drastic measures with regard to personnel, Collor will probably have 10,000 fewer active employees by the end of 1990, the reason being that the Law on Budget Guidelines stipulates that only one-half of the positions becoming vacant will be filled (the average turnover in the civil service amounts to 20,000 per year) and that even that 50 percent cannot be replaced unless there is money in the budget to pay the new employees.

There is no way that the Collor administration will be able to avoid measures—drastic or not—for genuinely slimming the administration. The Sarney administration hired a large number only during its first 3 years in office (103,000). New hires in 1988 were down to 10,325, and in 1989 they dropped to 4,915. That foot on the brake has not prevented personnel expenditures and social charges from making a big leap as a percentage of GDP over the past 2 years (to 3.9 percent). That is four times more than the Union had to invest (0.9 percent of GDP).

Collor has promised to carry out an ambitious investment program in the social area, and to do that, he needs to have money left over in the budget. The legal instrument for cutting back on those expenditures already exists: The Constitution requires that within 3.5 years at most, personnel expenditures and social charges must be limited to 65 percent of net available revenues (collections less compulsory transfers to the states and municipalities), but Collor may move up that deadline.

To begin the cutback, Collor will not have to go far: the agencies linked to the Office of the President of the Republic currently employ 3,103 employees, although they have operated with fewer than 2,000. The ministries, which had a total of 142,285 employees in 1985, are now operating with 124,490. But it must be kept in mind that Collor has eliminated several of those ministries.

The glaring and scandalous excess is to be found in the universities and other federal institutions of higher education. Although embodying the wisdom of society and a good share of its critical mass, they seem to prove the truth of the saying "the cobbler's children have no shoes." They employ 160,691 people, or 22.7 percent of all federal employees. That works out to one employee for every four students—a ratio inconsistent with the role of a center of excellence which any university should endeavor to play. This situation is the shocking result of the shameless job handouts in which the university heads have engaged—and it cannot even be said that they have hired good teachers. On the contrary, they have filled the campuses with bureaucrats to satisfy the appetite for hiring relatives.

The social security system (INAMPS [National Institute for Social Security Medical Assistance], the INPS [National Institute of Social Security], and IAPAS [Institute for the Administration of Social Assistance and Welfare]), which is responsible for paying pensions and retirement benefits to 12 million people every month, collecting contributions from 32 million insured participants and hundreds of thousands of employers, and providing medical assistance for 145 million Brazilians, has 184,509 employees. The moribund Ministry of Interior has 45,493, but 27,021 employees inherited from the former territories when they became states are still under its care. The Ministry of Agriculture is another ministry harboring too many people: it has 36,000 employees.

The current administration cannot be blamed entirely for this situation. In fact, Sarney will leave his successor only 3,037 more people than he himself started with. But the president could have reduced the total by at least 60,000 people. To do so, he would have had to do no more than apply during the first 3 years of his term the same hiring standards as those using during the final 2 years.

About 22 percent of all federal employees are in Rio de Janeiro, which, after its more than 300-year history as capital of the colony, the empire, and the Republic, inherited many semi-autonomous agencies (the National Highway Department, the Brazilian Coffee Institute, the Sugar and Alcohol Institute, the National Institute of Industrial Property, the Metrology Institute, the National Institute of Technology, and so on), foundations (Fiocruz [expansion unknown] and the IBGE [Brazilian Institute of Geography and Statistics]), autonomous research institutes (minerals and nuclear energy), four large universities (the UFRJ [Federal University of Rio de Janeiro], Fluminense Federal University, the Federal Rural University of Rio de Janeiro, and UniRio [expansion unknown]), and branch offices of agencies that exist in almost all the states. Transferring that structure to Brasilia would constitute a senseless burden for an administration which has no cash.

Remaining in Rio de Janeiro are the lowest-paid government employees. Working in the Federal District are 77,000 (11 percent) of all government employees, and

their number includes 55 percent of the 7,258 senior-level remunerated posts (DAS) and 15.4 percent of the 42,194 intermediate-level posts (DAI). Rio de Janeiro has 8 percent of the DAS personnel and 14 percent of the DAI personnel, while Sao Paulo, with about 56,000 federal employees, has 11 percent of the DAI personnel. Minas Gerais is the third-ranking state in number of federal employees (over 45,000), followed by Rio Grande do Sul (35,000).

The educational level of government employees is slightly higher than it is usually said to be: 31 percent have received a higher education, although only 27.9 percent of the positions require such qualification; 24.6 percent have a secondary education—although 32.6 percent of the positions require that level—and about 44 percent have only an elementary education (although according to the organization chart, this group should not exceed 39.5 percent).

Nearly 80 percent of all federal employees were hired under the CLT [Consolidated Labor Laws]. But that has not put them on the same level as other ordinary mortals. It is enough to say that the vast majority of them enjoy job tenure, something that does not exist legally for the mass of Brazilian workers.

A maze of schedules and agreements has helped create dozens of pay scales in the civil service, resulting in privileges for some and injustices for others. But the Constitution has made it more difficult to deflate or inflate the administration. It is impossible to fire anyone in most cases, but it is also impossible to enter the civil service now except through competitive examinations.

Government Firms With no Money Hire the Most

President Sarney began his administration with 592,353 employees in the nonfinancial government corporations and will leave 598,455 for his successor. Under his administration, those corporations have employed as many as 632,900 people. The point in his favor is that the number of management employees in those companies fell from 165,870 to 120,990. In other words, the increase occurred entirely on the operational side—in production—which is reasonable, considering that the economy has grown by about 25 percent during these past 5 years.

If we analyse the figures by sector, we find that many of the government corporations having financial problems are the ones that have added the most personnel. The Petrobras Group has 73,785 employees solely in those firms in which it holds a majority interest, and the parent firm alone has 59,210. If nearly all its subsidiaries were privatized, it would still have a large contingent.

The Siderbras [Brazilian Iron and Steel, Inc.] Group added more employees, but some mills began operations (Acominas [Minas Gerais Steel Company]) or expanded production. Usiminas [Minas Gerais Iron and Steel Mills, Inc.] set an example: It grew, but cut back on personnel. The National Iron and Steel Company [CSN]

has a greater variety of products than Usiminas and four times as many management personnel. They number over 3,000 at a minimum. The CSN employs as many people as Usiminas in steel production. The others are employed in coal, iron, and dolomite mines. The CSN has always worked with a large number of contractors, and that is where it has cut expenses—by putting other companies' employees, not its own, out of work.

In the Eletrobras [Brazilian Electric Power Company, Inc.] Group, the number of employees has grown at a slower pace than the quantity of electricity generated, transmitted, and distributed over the past 5 years. Personnel expenditures account for a little over 6 percent of total expenditures.

Nor did the number of employees increase greatly in the telephone companies. Telerj [Rio de Janeiro Telecommunications, Inc.] was the only company showing a significant increase in number of employees in 1989, but that was because it absorbed Cetel [Guanabara State Telephone Company].

In the ports, the holding company (Portobras [Brazilian Ports Enterprise]) is not equaling the performance of its chief subsidiaries: the Sao Paulo Dock Company (Santos) and the Rio de Janeiro Dock Company moved more freight, invested, and reduced their number of employees.

The federal railways also reduced their total number of employees under the Sarney administration. More people are now employed in passenger transportation on the suburban lines (the CBTU [expansion unknown] and Trensurb [expansion unknown]), but fewer are employed in the transportation of freight (Federal Railway Network).

Government firms that have accumulated losses in recent years—examples being Cobra [Brazilian Computers and Systems, Inc.], Mafersa [expansion unknown], and Brazilian Lloyd—have made a timid effort to reduce their personnel, but have cut back much less than a private company in the same financial situation would have done.

* Investments, Debts

90SM0005B Rio de Janeiro O GLOBO in Portuguese
11 Mar 90 p 13

[Article by Monica Magnavita]

[Text] The situation in the country's government corporations is related to two factors which have marked the performance of those companies throughout the past decade: foreign indebtedness and their lagging rates and prices. Most economists recognize that poor management and low productivity have been factors in many cases, but even so, they are unanimous in saying that the Federal Government was responsible for the situation in those firms because it used them as an instrument of economic policy. That strategy, which existed in the 1970's (resulting in the foreign debt) and the 1980's

(when rates and prices were kept low), led many of those firms to borrow money that wound up not being used for investment and also to contract bank loans to make up for their shortage of cash.

Examples? Siderbras [Brazilian Iron and Steel, Inc.] and Eletrobras [Brazilian Electric Power Company, Inc.]. Aluysio Asti, head of the Energy Department at the National Bank for Economic and Social Development (BNDES), explains that the policy of keeping Eletrobras rates low (which was used as a means of preventing a rise in inflation) was fatal to that firm's performance. The firm's own funds fell from a level of 52 percent in 1974 to 33 percent in 1986 because of the rate policy adopted by the government. Moreover, that government corporation (which has a net worth of \$47 billion on the books), needs to invest \$6 billion annually to meet the energy demand in coming years.

Asti emphasizes: "There is no way to doubt the efficiency of a firm that was able to increase the country's generation of electricity by a factor of 10 in 20 years. What Eletrobras needs is autonomy so that the government cannot use its rates to check inflation, for example."

The situation at Siderbras is different. Helio Blak, head of the BNDES' Industrial Operations Area II, explains that the holding company (which controls five steel firms) has a serious need to invest just in maintenance. For that purpose, it would need a minimum of \$2 billion annually, and this does not include expansion projects. The lag in the price of steel is one reason for that problem, but Blak emphasizes that many steel firms have been guilty of poor management, and the stigma of inefficiency hangs over the industry. With an output of 25 million metric tons annually, Siderbras accounts for 60 percent of the country's steel production.

Blak observes: "If the rates are restructured, some steel firms will become viable businesses, but others have reached such a degree of gigantism and inefficient costs that it would be difficult to find a solution for them."

The BNDES participated in the reorganization plan for the Siderbras system by granting financing to some firms.

The Rio Doce Valley Company [CVRD] and Petrobras are on the other side of the scale measuring the performance of government corporations. The CVRD is the largest exporter of iron ore to overseas customers (67 million metric tons last year) and also produces manganese, gold, titanium, aluminum, bauxite, cellulose, and nickel. Its two railroads (the Vitoria-Minas Gerais Railroad and the Carajas Railroad) carry 45 percent of all the country's railroad freight, and the Vitoria-Minas Gerais line has the world's highest productivity when it comes to that type of railroad transportation. The CVRD's profits made a big jump last year, rising from \$210 million in 1988 to \$734 million in 1989.

The same was not true of Petrobras. Last year, its profits dropped by 68 percent from their 1988 level. That was

the second-lowest profit recorded by the firm during the Sarney administration, the lowest being the \$134 million recorded in 1987 (influenced by the changes due to the Cruzado Plan). Even so, the firm holds a monopoly on the exploitation of petroleum, since risk contracts were banned by the Constitution.

Investments 6 Percent of GDP for 15 Years

Investments by government corporations amounted to approximately 6 percent of the country's GDP during the period from 1970 to 1985, according to a paper by economist Luiz Henrique Gurvitz of the Brazilian Capital Market Institute (Ibmec). In addition, he says, those firms engaged in activities concerned with basic infrastructure and generated growth in other segments of industry throughout the period when import substitution was in effect in the country.

But in recent years—more specifically, during the second half of the 1980's—while firms in the private sector were increasing their investments, the government began cutting back on investments in the government firms as part of its policy for controlling the public deficit. As Gurvitz points out, that strategy, which was adopted in lieu of reducing overhead, impaired the performance and competitiveness of those firms. The result of those differing investment policies in the public and private sectors can be seen in the gap between the two types of firms when it comes to technological efficiency (or the lack of it).

In recent years, the government-owned firms have been less profitable than companies with unrestricted private or foreign capital because of another government policy: that of holding down rates and prices. The Ministry of Finance team has systematically used the prices charged by government firms to keep inflation from accelerating, thus putting those prices out of step with other prices in the economy and with inflation itself.

For that reason, the onerous debt of those firms—that is, the debt contracted in the form of bank loans—has grown much larger than that owed by firms with domestic and foreign private capital. As a result of the reduction in their own funds, government-owned firms were forced to turn to the banks, and this only increased their financial difficulties because of high interest rates. Gurvitz based his paper on an analysis of the balance sheets of companies traded on the stock exchange and included the following government corporations: Petrobras, Acesita [not further expanded], the CVRD, Embraer [Brazilian Aeronautics Company], Cemig [Minas Gerais Electric Powerplants, Inc.], the Sao Paulo Power and Light Company, the Cesp [Sao Paulo Electric Powerplants, Inc.], Light, Telerj [Rio de Janeiro Telecommunications, Inc.], Telebras [Brazilian Telecommunications, Inc.], Telesp [Sao Paulo Telecommunications, Inc.], and Telemig [expansion unknown].

Chile

Minister Rojas Says Peruvian Boat Incident Over

PY2304190090 Santiago Television Nacional
de Chile Network in Spanish 1800 GMT 23 Apr 90

[Text] Chilean Defense Minister Patricio Rojas Saavedra today spoke about the confusing incident between a Chilean fishing boat and a Peruvian patrol boat along the border of territorial waters of the two countries.

[Begin recording] [Rojas] This minor incident, which took place a few days ago in northern waters, is completely over.

[Reporter] Is this matter now in the hands of the Foreign Ministry?

[Rojas] Well yes, but the matter has been practically closed with the proviso that we should all respect jurisdictional waters. [end recording]

Court Denies Jurisdiction in Norwegian Ship Case

PY2404034490 Santiago Radio Cooperativa Network
in Spanish 2300 GMT 23 Apr 90

[Text] Lawyer (Lesdy Tomasselo) filed a writ of amparo in the Supreme Court arguing Chilean courts do not have jurisdiction on incidents that occur beyond the 12 mile territorial limit. (Tomasselo) represents the two officers of the Norwegian ship (Tanabe Jion Biser) who are being detained in the country by a preventive detention order, issued by the San Antonio Second Criminal Court, to determine their responsibility in the sinking of the fishing boat "Aurora II" on 10 April. One fisherman died, and four are still missing.

Lawyer Pedro Pilla who represents the family of the single fisherman whose body was found said a few minutes ago that the writ of amparo on behalf of Captain (Herensen Stegard) and First Officer (Jehnsen Fin) shows the existence of what he considers an aberration in Chilean legislation. All artisan fishermen working outside the 12 mile limit are totally unprotected against the attack of a foreign vessel.

Pilla added, because the ship that sunk the fishing boat was Norwegian, the families of the dead and missing crew were supposed to file suits before Norwegian tribunals. However, we all know these poor people lack the resources to travel to Europe to demand justice for something that happened off our coast, 50 or 60 miles from here, the lawyer said.

The Valparaiso Third Criminal Court, where the case was first filed, declared itself incompetent to hear the case. Since the sinking of the "Aurora II" occurred off the coast of Quintero, the dossier was sent to Quillota's First Criminal Court, because Quintero is in the Quillota court's jurisdiction.

Navy Commander Warns Against Soviet Naval Power

PY2304202290 Santiago Television Nacional
de Chile Network in Spanish 1800 GMT 23 Apr 90

[Text] Admiral Jorge Martinez Busch, commander in chief of the Chilean Navy, today urged all American navy commanders to join forces to prevent the Soviet Union from attaining its political goal of gaining control over the seas of the world.

Adm. Martinez and Defense Minister Patricio Rojas this morning opened the 15th Inter-American Naval Conference. The conference, which will end on 28 April, is being attended by the commanders in chief of the navies of 16 countries, including the United States and Canada.

In his opening speech Adm. Rojas stressed that regardless of the Soviet Union's policies, one of its political objectives is control of the seas. Thus he urged the commanders of all the continent's navies to join forces to thwart this drive.

Foreign Minister To Attend Chamorro Inauguration

PY2404022890 Santiago Domestic Service
in Spanish 2300 GMT 23 Apr 90

[Excerpts] Foreign Minister Enrique Silva Cimma stated the inclusion of Nicaragua in the Latin American democratic system is very important for Chile. He made these remarks referring to the visit to Nicaragua that he will begin tonight for the presidential inauguration.

[Begin Silva Cimma recording] You know that after many years Nicaragua held democratic elections, with the consequent election of Mrs. Violeta Chamorro. This is very important for us, because Nicaragua is thereby joining the Latin American democratic system. It is obvious, therefore, that Chile must be represented in an event so important for Latin America. [end recording] [passage omitted]

Regarding the incident involving a Peruvian patrol boat and a Chilean fishing vessel in the northern sector, he said that it is being investigated, and it is still too early to say anything about an incident which has not yet been clarified.

He added, however, relations with Peru are friendly and cordial. Since incidents like this are rather common on seas where the limits are not perfectly outlined, our relations will not be tarnished by this incident.

Carabineros Deny Murder Suspect Has FBI Guard

PY2304192690 Santiago Television Nacional
de Chile Network in Spanish 1800 GMT 23 Apr 90

[Text] Luisa Lagos Aguirre, alias Lilian Walker, who was allegedly involved in the murder of former Foreign Minister Orlando Letelier, was still in Santiago early this morning.

Luisa Lagos was staying at the Millague Hostel in Melocoton. She had been in this hostel until Saturday

evening, guarded by Carabineros personnel. As soon as the press found her, she was taken somewhere else.

Police sources reported Luis Lagos and her 8-year-old daughter have not spent a night on police premises but were taken to a safe place that has nothing to do with Carabineros. This morning Luisa Lagos was still staying at this place where contact with strangers is extremely unlikely. For the time being, the idea of taking her to another hotel or sending her out of Santiago has been ruled out.

Police sources added that those guarding Luis Lagos are all Carabineros personnel, and they denied there is also an FBI agent guarding her.

Colombia

Extradition of 3 Drug Traffickers Authorized

PA2304214290 Hamburg DPA in Spanish
2047 GMT 23 Apr 90

[Text] Bogota, 23 Apr (DPA)— It has been officially announced the Colombian Government today authorized the extradition to the United States of suspected drug traffickers Rafael Juliao Fernandez, Luis Cabarcas Acosta, and Carlos Gomez Zapata.

The latter, however, managed to escape from a hospital in Barranquilla with the help of a soldier who was recently sentenced to jail by the authorities.

Fifteen Colombians charged with drug trafficking have been extradited to the United States since 18 August, when the government of President Virgilio Barco Vargas declared "war" on the drug cartels and decided to extradite drug traffickers to the countries where they committed the crime.

Investigations To Find Terrorists 'Fruitless'

PA2304155290 Bogota Radio Cadena Nacional
in Spanish 1210 GMT 23 Apr 90

[Text] Bogota—Investigations under way throughout the country have been fruitless regarding the alleged presence of Spanish, British, Israeli, or Italian terrorists in Colombia, following the foiled attack on seven generals, eight colonels, and other top commanders of the Army and National Police in Medellin.

Meanwhile, General Miguel Alfredo Maza Marquez, director of the Administrative Department of Security, identified Eugenio Exendeste, an ideologist of the Basque Fatherland and Liberty [ETA] separatist organization, as the link between the Medellin Cartel and the Spanish terrorists.

Police Operations Director General Octavio Vargas Silva said all security organizations are on maximum alert. He noted that the secret organizations have composite sketches of the suspected ETA members and the two Colombians who coordinated all the steps to carry

out the attack that was intended to kill many civilians as a result of a rocket attack on a gasoline truck carrying 3,000 gallons of flight fuel.

Ecuador

* Electorate Surveyed for Presidential Elections

* Quito, Guayaquil Featured

90SM0018A Quito EL COMERCIO in Spanish
18 Mar 90 p 3

[Text] What will happen in this electoral campaign? This is the widespread concern which has developed in the two leading cities of the country in connection with the 17 June election.

This was the central focus when Informe Confidencial [Confidential Report] took its latest public opinion poll. This political study project has no political party links, and it does not seek to campaign either for or against any candidate, either. Its sole commitment is to democracy.

According to Informe Confidencial, it would seem for the time being that even the democratic faith of the people of Ecuador is on the decline, and that disillusionment is in danger of becoming exasperation with the democratic system. This would be very serious if the long-range prospects for the country were taken into consideration.

With the approaching election in view, pessimism is widespread in Quito. Only 24.2 percent of those interviewed believe that the situation in the country will improve with the election of the new legislators. On the other hand, 23 percent of the citizens believe that the situation will deteriorate further, while 41.7 percent say that it will remain the same, and 11 percent did not wish to express an opinion.

In Guayaquil, 36 percent of those surveyed believe that things will improve with the coming election, 21 percent say it will become worse, 30 percent believe it will remain the same, and 12 percent did not respond.

From this it can be concluded that the majority of the people in Ecuador believe that after the coming election, things will remain the same or will become worse. The people are now entirely pessimistic about their future.

Many politicians believe that public opinion surveys have an influence on electoral choices. In an effort to win votes by this method, they invent labels just prior to elections. There are some, on the other hand, who are devotees of the surveys and public opinion polls for long as they nurture their egos, but reject their validity when they do not work in their favor.

Informe Confidencial polled the citizens in the two leading cities about who they think will win the next election, scheduled for June.

In Quito, 30 percent of those surveyed believe that Jamil Mahuad (DP [Popular Democracy Party]) will win, 8 percent believe the winner will be Fabian Alarcon (FRA [Alfarist Radical Front]), 7.5 percent said Alvaro Perez (liberal), 5.7 percent said General Frank Vargas Pazzos (APRE [Ecuadorian Revolutionary Popular Action]), and 4.7 percent said Alejandro Pinto (ID [Democratic Left]).

In Guayaquil, 54 percent of those surveyed said that the winner in the legislative election will be Jaime Nebot (Social Christian), 5.5 percent said Adolfo Bucaram (PRE [Ecuadorian Roldosist Party]), 4.7 percent said Angel Duarte (CFP [Concentration of Popular Forces]), and 3.2 percent said Raul Patino (socialist).

The names of the possible winning candidates were chosen by Informe Confidencial and placed on a list, which was read to those interviewed. The list included the names of the candidates who seem likely, at the present time, to head the slates of the various parties.

With regard to the situation in the country, the survey shows that optimism disappeared some time ago, that the situation is growing more acute with every passing day, and that a decline to a dangerous level seems to be occurring in Guayaquil.

Of the citizens in Quito, 3.7 percent believe that the country is in good or excellent condition, while 64 percent have the impression that things are very bad.

In Guayaquil, 4 percent of the people have a positive picture of the national situation, while on the other hand, 80 percent believe that the country is in a very bad state.

When it comes to the administration of the mayor of Quito, Rodrigo Paz continues to benefit from a very favorable view of his efforts, since 53 percent of the people in Quito say that his administration is positive, while 11 percent say it is negative.

The mayor of Guayaquil, Elsa Bucaram, is not so lucky. Negative opinions of her administration were expressed by 51.5 percent of the people, and the number of positive views came to only 12 percent.

* The President's Image

90SM0018B Quito EL COMERCIO in Spanish
18 Mar 90 p 3

[Text] With regard to the citizens' opinions of the work done by the president of the Republic, the surveys taken by Informe Confidencial [Confidential Report] show that about 36 percent of the people in Quito regard his administration as negative, as compared to 16 percent whose opinion is favorable, although his trips abroad have always created a positive impression.

The situation in Guayaquil remains stable. About 4.5 percent of those surveyed have a positive image of the president, while 69 percent have a negative one.

The increase in negative opinions is doubtless due, the surveyor says, to the electoral campaign in Puerto Principal, which is characterized, generally speaking, by criticism of the government. In Guayaquil, President Rodrigo Borja's foreign trips do not usually create a positive reaction.

As to who the next president of the Republic will be, Sixto Duran Ballen was the favorite in Quito, being indicated by 15.7 percent of those polled. Jamil Mahuad remained at the same level, with a slight increase of from 14.2 percent to 15 percent. Frank Vargas saw a decline from 11 to 8.5 percent.

In Guayaquil, there was an increase for Abdala Bucaram to 18 percent, followed by 16 percent for Leon Febres Cordero, 9.7 percent for Jaime Nebot, 6.7 percent for Sixto Duran Ballen, 4.5 percent for Mahuad, and 4.2 percent for Frank Vargas.

The Social Christian candidates, then, taken together, are favored by 32 percent of those interviewed, showing that the rise of the politicians of this persuasion in the principal port city is continuing.

Informe Confidencial has expressed the certainty that the rise in popularity for the Social Christian candidates revealed by the survey must certainly be related to the mass action with which Jaime Nebot affiliated the Social Christian Party.

A curious fact revealed by the poll on political party preferences is that in Quito, the Democratic Left saw a decline from 17.2 to 14 percent of the choices, while on the other hand, Popular Democracy had an increase from 10 to 11 percent. There was also an increase, from 7 to 9 percent, for the Social Christian Party, as well, and the PRE [Ecuadorian Roldosist Party] had a loss of from 2 to 1.2 percent.

There was an increase for the Social Christians in Guayaquil from 12.7 to 25.7 percent, and for the PRE from 17 to 20.2 percent. The DP [Popular Democracy Party] held steady at 1.7 percent, and the ID [Democratic Left] saw a decline from 3.7 to 3.5 percent.

Paraguay

Ruling Party Leaders Criticize Economy Policy

PY2104223690 Asuncion EL DIARIO in Spanish
21 Apr 90 p 4

[Excerpts] The lack of a coordinated government economic policy has been broadly debated by the National Republican Association [Colorado Party] which is the party that supports the government of Major General Andres Rodriguez. In addition to the critical remarks heard at a party Government Board session on 18 April, Colorado politicians have continued to criticize the situation caused by the different positions adopted by those in charge of the national economic policy.

Colorado Third Vice President Edgar L. Ynsfran analyzed the current economic situation by saying: "The diversification of financial and economic positions must end, and a single position must be adopted. Each ministry has its own targets, while the Central Bank has its own goals which encounter problems in other areas, and those problems cannot be overcome." He thus alluded to the opposing views of the Minister of Finance, the Minister of Industry and Commerce, and the Central Bank president.

He noted that several problems have been inherited from the previous regime, such as corruption, administrative disorder, economic structural problems, and even structural fiscal problems. "Efforts are being made to solve all these problems, and I believe they will be solved," he said. [passage omitted]

Adeco [Colorado Democratic Action] member Enrique Riera said that the economic situation of our country and the management of the economy by the responsible ministers "are sources of great concern within the Colorado Party. I am in total agreement with the remarks that the party's Government Board members made at the last session." Riera said that all those sectors which are being affected by inflation should reach an accord, because the inflationary spiral is strangling the country's socioeconomic structure. [passage omitted]

Concerning the current economic policy, Riera said that "readjustments should be made to improve the situation of the poorer, unprotected sectors, which are made up of peasants, workers, and employees."

He stressed that the Colorado Party is letting its voice be heard and that this is why a concrete and clear proposal was put forward at the party's Government Board session. The proposal, rather than formulating a critical remark, conveyed the party's deep concern over the country's current socioeconomic situation.

Commenting on the issue, Guillermo Campuzano, vice president of the Colorado precinct of Ciudad del Este, said: "The government must be sensitive to the people's demands. The president must change the course of economic policy, because he has the power to do so." [passage omitted]

Central Bank Denies Nationalization of Deposits

PY2104192090 Asuncion HOY in Spanish 21 Apr 90
p 5

[Text] "In light of rumors concerning an alleged nationalization of foreign currency deposits, the Paraguayan Central Bank categorically denies any official or unofficial intention to nationalize such deposits."

This statement is part of the communique that the Central Bank released yesterday. The communique added: "Quite the opposite, the Paraguayan Central Bank has instituted new banking methods and incentives to induce a growth of deposits. Among these measures is

the freeing of interest rates and the efforts to maintain the stability of the exchange rate so that the banks can increase their financing of exports in foreign currency."

The Central Bank also confirmed that it currently has enough reserves in foreign currency to supply the market requirements.

According to the president of the Central Bank, the communique is designed to thwart the intentions of those allegedly "interested in creating financial chaos."

He emphasized the mechanisms that the Central Bank implemented recently to make monetary operations more dynamic and fluid, especially the freeing of interest rates on savings accounts in all kinds of currency.

Coordination of Economic Effort Announced

PY2204231490 Asuncion *EL DIARIO* in Spanish
21 Apr 90 pp 10, 11

[Text] After angry accusations among the members of the economic team, Finance Minister Enzo Debernardi announced that the team will "coordinate" its work to stop inflation. After meeting with President Andres Rodriguez, Debernardi said that there would be no Cabinet reshuffle. Despite that, rumors of changes in the economic team continue.

Apparently, the anger among members of the economic team has died down. After a cabinet meeting headed by President Rodriguez, Debernardi said that "coordinated work will be carried out with the Central Bank."

After a few days of angry accusations, the men in charge of the economic team decided "to coordinate" their work.

Debernardi said: "We held an informative meeting with the president. Industry and Commerce Minister Antonio Zuccolillo gave a very interesting picture of the country's economy, which was complemented by a statement by the president of the Central Bank. The education minister also briefed the president on his trip to Moscow."

Regarding the sensitive issue of inflation and the mechanisms to be implemented by the government to fight it, Debernardi said: "Regarding inflation, we are going to hold several meetings to coordinate the efforts of the economic team, the Central Bank, the Industry and Commerce Ministry, and the Finance Ministry, to study the technical means of controlling inflation."

Debernardi said that, so far, inflation has not gone over 20 percent and is therefore still within the predicted estimate.

He added: "We are going to get a clearer picture of the situation after we see the inflation rate of the next few months."

He also indicated that tax receipts by the Finance Ministry are 47 percent higher than last year, but that that does not mean we have an increase in relation to this year's budget.

Debernardi added that the national budget for this year was "slightly overvalued" and that it was reprogrammed with an increase of approximately 33 billion guaranies.

Asked whether changes will be made in the economic team, Debernardi said that "from the way the president treated us it seems that there will be no changes."

President Rodriguez Denies Cabinet Changes

PY2304220290 Asuncion *ULTIMA HORA* in Spanish
23 Apr 90 pp 12, 13

[Text] Concepcion—President Andres Rodriguez said this morning that there will be no reshuffling of his Cabinet since he is satisfied with the work of all his ministers. He also called on the country's economists for their cooperation to find the best solutions to the nation's economic problems.

Asked about the rumors of alleged Cabinet changes Rodriguez said: "I wanted to wait a little longer before giving an answer, but as Benitez [not further identified] justifiably said, why wait to answer the country; I would like to say that there will be no Cabinet changes. I am satisfied with the work of all the ministers especially the economic team."

This is how Rodriguez confirmed that his economic policy has a good orientation. He emphasized that the members of the Economic Council prepared the economic program which was best suited for this transition period. Rodriguez added: "People believe that because of the increase in fuel prices the national economy will break down. This is not true. Under no circumstances can the state subsidize the people's expenditures involving fuel."

Rodriguez said that his economic policy has been criticized by economists. In this regard he requested their help, in the form of concrete proposals to the government. He added: "They should tell me the path that should be followed if we are to reach our desired objective and how they would finance the programs they want implemented."

He also said that his government is struggling against corruption in all sectors "because in 1993 I would rather not hand over an indebted country; a country buried by foreign debt. Our country is doing well. No one can argue that our economy is not on the right path."

President Rodriguez said that when he took over the government, a risk was taken with the implementation of the free exchange rate, free enterprise, free market, etc., to give a new direction to the Paraguayan economy. He

added: "For example, had an overall plan been implemented in February 1989, the price of fuel would have been then what it is now. We wanted a gradual economic recovery."

Argana Calls for Greater Party Participation

PY2104215690 Asuncion HOY in Spanish 21 Apr 90 pp 10, 11

[Excerpt] Luis M. Argana, interim president of the Colorado Party, yesterday said "let us recover our participation" in the government concerning the need to support the government's effort to enforce the principles and programs of the party. Argana made this comment during a meeting with female representatives of 25 party precincts of Asuncion.

He said: "Nothing is perfect in the world. There are issues that require a lot of study, support, and also rectifying measures. The Colorado Party members must participate in the government, the party must be a government party taking the lead in participation and this is something we lost quite a bit of in the last 12 months."

Argana said that the Colorado Party must recover its leading participation in the government, that "the decisions made at the government level, that the social solutions given to the union and land problems be made with the participation of the party's rank-and-file, since 80 percent of the citizens are Colorado Party supporters." [passage omitted]

Protest Submitted to Algeria Over LAP Incident

PY2104195490 Asuncion ABC COLOR in Spanish 21 Apr 90 p 10

[Text] The Paraguayan Government has submitted a note of protest against Algeria to the United Nations. On 17 April, Algerian authorities forced a Paraguayan Airline (LAP) plane to land in Algiers. Foreign Minister Luis Maria Argana reported yesterday that the Paraguayan Government has also decided to demand an indemnification from the Algerian Government.

Speaking at the end of a cabinet meeting headed by President Andres Rodriguez at Government House, Argana said: "Paraguay has requested an indemnification because the plane was arbitrarily diverted from its route." However, he did not specify the amount of the indemnification requested.

Argana added that the LAP plane was making a routine flight over African territory "when Algerian MiG-23 fighter jets forced the plane, which was carrying 160 passengers, to divert 100 km, and that this incurred a huge cost for the company. [quotation marks as published] The LAP plane was making a routine Asuncion-Madrid flight. After a stopover in Dakar, Senegal, and while flying over Algerian air space, it was forced to land in Algiers. Paraguayan Air Force officials have reported that this incident caused a considerable flight delay and

additional expenses because the plane had to fly an additional 100 km to land in Algiers.

This is the second time within days that a LAP plane has been involved in an incident over African territory. A few weeks ago a LAP plane on the Asuncion-Madrid flight mistakenly took another route. Instead of landing in Dakar, Senegal, the plane landed in Conakry, [Guinea] which is located about 700 km from Dakar.

This became a complex situation; since LAP does not have credit to refuel in Conakry, the crew had to request a passenger to kindly pay a \$7,000 fuel bill in order to continue the flight.

Dusseldorf Consul Dismissed Over Waste Deal

PY2104202490 Asuncion EL DIARIO in Spanish 21 Apr 90 p 15

[Excerpt] Industrial engineer Heiner Kreyenberg, Paraguayan honorary consul in Dusseldorf, and his wife Margarita Wolf, an employee of the Paraguayan Embassy in Bonn, have been dismissed on the recommendation of the Paraguayan Foreign Ministry which conducted an in-depth investigation.

The decree of the executive branch stated that the dismissal of the above mentioned officials was prompted by their involvement in the illegal traffic of chemical waste to Paraguay. Approximately two months ago a shipment of toxic waste was discovered in Bremen. The shipment, disguised in containers that were supposed to contain fertilizers, was meant for Paraguay. [passage omitted]

Peru

Fujimori Leading Vargas; Unity Urged

PY2304211290 Buenos Aires DYN in Spanish 1828 GMT 23 Apr 90

[Text] Lima, 23 Apr (AFP)—According to a survey published here today, if elections were held today, Alberto Fujimori would receive 51 percent of the vote against author Mario Vargas Llosa.

According to APOYO, the firm that conducted the survey, Vargas Llosa of the liberal Democratic Front (Fredemo) would receive 38 percent of the votes in such an election.

The survey also shows that when the candidates' names were not mentioned, the technical team of a Fredemo government received a 49-percent favorable rating while Fujimori's Change 90 team received a 28-percent favorable rating. A total of 23 percent did not respond.

Despite the fact that most people trust a Vargas Llosa government more than a Fujimori government, the

author will not have much maneuvering room in Congress to successfully implement a program to fight inflation and unemployment; attract foreign investments; and defeat terrorism.

"Fredemo has no other option but to reach an agreement with Change 90 [words indistinct] APRA [American Popular Revolutionary Alliance] members or the left to achieve a majority," APOYO director Felipe Ortiz de Zevallos stated.

Without a definite plan of government, and already running a campaign against his image as an "independent and a candidate with little money," Fujimori, on Sunday night [22 April], announced on a Lima television station some possible actions of his government that remind us of outgoing Social Democrat, President Alan Garcia.

Fujimori said he is against the privatization of public enterprises and the dismissal of state employees. He said he is a resolute enemy of a "shock treatment for the economy," and that he is in favor of increasing the purchasing power of Peruvians and of democratizing credit, favorite subjects of the current president.

Independent economist Guido Pennano has suggested Fujimori and Vargas Llosa reach an agreement to demand, from President Garcia, "a transition government right now" to "prevent him from leaving the country in absolute bankruptcy by decisions taken today, decisions that will adversely affect the next government."

IU Congressmen Oppose Use of U.S. Troops

PY2404032290 Lima Television Peruana in Spanish
0100 GMT 24 Apr 90

[Excerpts] United Left [IU] Deputy Guillermo Herrera Montesinos and Senator Javier Valle Riestra have expressed their opposition to the participation of U.S. troops in antidrug operations in Peru. Both congressmen

have stated that Congress must decide on the participation of foreign troops in operations within the country. [passage omitted]

In a brief communique, the Foreign Ministry today termed as absolutely false a report published by a local newspaper about the presumed participation of U.S. troops in the struggle against drug trafficking in Peru.

Relations With Panama Reportedly Upgraded

PY2404025690 Lima Television Peruana in Spanish
0100 GMT 24 Apr 90

[Text] Following the normalization of diplomatic relations between Peru and Panama, the government has decided to raise the rank of its representative to Panama to that of charge d'affaires. According to a Foreign Ministry press note, Jose Tenorio has been named to represent Peru as charge d'affaires in Panama. He will take office as soon as possible.

Uruguay

Government Wants To Participate in Brady Plan

PY2004181890 Montevideo Radio El Espectador
Network in Spanish 1600 GMT 20 Apr 90

[Excerpt] President Luis Alberto Lacalle is on an official visit to Durazno Department today. The president announced that tomorrow he will meet, in an unspecified place, with his economic team to evaluate the state of the economy. Lacalle said that an IMF mission will arrive in mid-May to analyze a proposal by which our government will sign a letter of intent with creditor banks to gain access to the Brady plan, and thus reduce our foreign debt.

[Begin Lacalle recording] Our first concern is to receive the IMF mission and to sign a letter of intent. This agreement will be the key to gain access to [words indistinct] which has already been proposed to the creditor banks. If we receive the support of the IMF we can resume our talks with the creditor banks. [passage omitted] [end recording]